

# City of San Antonio

## Contracting Policy & Process Manual

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## EXECUTIVE SUMMARY

In the Spring of 2001, the San Antonio City Council commissioned a performance review of the City's contracting practices. The results of that study – "Performance Review of the Business Contract Management Process and City Attorney's Office" — were presented to City Council and City Management in May 2001. The report suggested that City contracting processes could be improved upon; that, in fact, processes were "inadequate to meet the demands of an increasingly dynamic operating environment." The most conspicuous omission was a "lack of citywide standards."

In July 2001, the City Council approved an ordinance creating the Contract Services Division, whose goal would be to implement the recommendation of the performance review: to develop and/or improve City contracting process infrastructure. Placed in the Department of Asset Management, this organization was also charged with developing technological tools that would promote improved contracting processes and contract administration, providing contracting training, and serving as the City "contracting ombudsman."

The first challenge was to develop a database that would serve as the City's sole repository for contract information. Working hand-in-hand with the Information Technology Services Department, the Contract Services Department developed and implemented the Electronic Contract Management System (ECMS) in early Fall 2001. The ECMS served as a valuable means of managing contract data prior to the activation of Enterprise Resource Management/System Applications & Programs (ERM/SAP) in 2004.

Beginning in January 2002, the Contract Services Division began meeting with various departments to identify and diagram City contracting procedures. Upon the conclusion of the "as is" assessment, staff went to work modifying and/or developing the contracting processes identified in this document. This [Contracting Policy and Process Manual](#) is the result of those efforts. It is intended to provide staff with contracting policy, and to describe the step-by-step procedures that should be engaged in order to take a contracting initiative from its beginning to its ultimate conclusion.

In October 2004, the Contract Services Department was created to continue the work of supporting contract initiation efforts, as well as providing contract compliance reviews.

The Contract Services Department is prepared to help you comply with policies and processes described in this manual. If you have any question regarding contracting policy and process, please call the Contract Services Department staff:

Mark Webb, Director	207-7039
Philip C. Campos, Jr., Contract Administrator	207-2074
Bruce Martin, Contract Manager - Initiation/Training Division	207-2079
Norbert Dziuk, Contract Coordinator	207-2078
Kimberly R. Coleman, Contract Coordinator	207-6551
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Maggie McCoy, Special Projects Coordinator	207-6106
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Orlando Martinez, Contract Coordinator	207-6568
Robert Ramon, Contract Coordinator	207-6522
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Marcella Woods, Contract Coordinator	207-6068
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# INTRODUCTION TO THE CONTRACTING POLICY & PROCESS MANUAL

This manual has been designed to serve as a “one-stop” resource for contracting and procurement policy and process. While readers are encouraged to familiarize themselves with the total content — particularly if the reader is a Certified Contracting Officer — this manual has been laid out in such a way that one can examine particular chapters and sections separately.

Please read the following for additional instructions regarding this manual. The section below can help you to quickly locate instructions specific to your current project as it provides an overview of how the information is organized and presented throughout the manual.

## How to Use this Manual

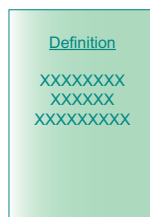
This manual is divided into six (6) chapters and an “Appendices” segment that contains sample documents, contracts and other forms related to City of San Antonio contracting policy and process.

- Chapter 1, “Policy, Ethics & Law Governing City Contracting,” sets forth the City’s policy, specific authority and organizational responsibilities as they pertain to its contracting and procurement processes, as well as state law governing municipal contracts and information about contractor suspension and debarment actions.
- Chapter 2, “Contracting Roles and Responsibilities,” describes the City’s decentralized contracting organization and explains the roles of specific departments/divisions as they relate to City-wide contracting initiatives.
- Chapter 3, “Competitive Solicitations,” defines the different types of competitive procurements, when they should be used, and how to properly evaluate responses received.
- Chapter 4, “Contracting Processes,” provides an overview of contractual risk and defines and documents the process steps to be taken to initiate and monitor various types of municipal contracts.
- Chapter 5, “Contract Administration & Monitoring,” provides an overview of the administrative responsibility, duties, and techniques for monitoring contracts.
- Chapter 6, “Other City Processes,” describes the other city processes that are related to contracting.

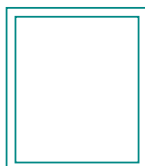
The chapters and sections are arranged so the user can locate information needed to begin work on a particular contracting initiative. In addition, the manual employs several layout styles to help distinguish between the different types of information being provided. Below are “thumbprints” of the conventions that are used, along with explanations of what they signify:

<http://www.gpo.gov>

The hyperlinks that appear throughout the manual provide access to other government publications for additional information on-line, while the word “Sample” appearing in hyperlink font links to the sample document, contract or form under discussion.



Green-shaded margin boxes contain additional information unique to the topic being discussed.



Double-framed boxes appearing in the margin notes contain contracting policy directives.

# Chapter 1

## Policy, Ethics, & Law Governing City Contracting

### OVERVIEW

The purpose of this chapter is to set forth the City's policy and specific authority as they pertain to contracting processes and to provide information regarding the Code of Ethics, state law governing municipal contracts, and suspension and debarment of contractors.

#### In this Chapter

Contracting Policy

Small Business Economic  
Development Advocacy  
(SBEDA) Program

Contracting Ethics

Law Governing City Contracting

Retention of Records

Suspension & Debarment

Prohibited Lobbying of City Staff

# Contracting Policy

It is the policy of the City of San Antonio to accomplish all contracting and procurement initiatives in accordance with applicable federal, state, and local laws. Further, staff responsible for the conduct of contracting and procurement, will adhere not only to the specific rules described within these laws, but will also respect the essential ethical tenets that provide the foundation for honest and proper business conduct.

City staff engaged in the conduct of procurement and contracting will ensure that:

- All transactions for goods, services, and property are accomplished through an appropriately authorized and executed legal document.
- To the extent possible — in accordance with federal, state, and local law — purchases for goods and services will be subject to a competitive solicitation.
- Only the Management Team, Department Directors and Assistant Directors, Attorneys and CCOs, will conduct contracting and procurement initiatives.
- All contracting initiatives will be coordinated with and approved by the City Attorney's Office.
- Staff will conduct contracting and procurement initiatives in accordance with the rules and guidelines described within this manual.

# **Small Business Economic Development Advocacy (SBEDA) Program**

It is the policy of the City of San Antonio to involve Small, Minority, Women and African-American Owned Business Enterprises (S/M/W/AABE) to the greatest extent feasible in the City's discretionary contracts. The intent and purpose of the policy is to ensure that S/M/W/AABE firms have the opportunity to compete for City contracts without discrimination on the basis of race, color, religion, national origin, age, sex or handicap. To accomplish the objectives of the SBEDA policy, the City has established specific goals for local S/M/W/AABE participation. For additional information on the SBEDA program, visit [www.sanantonio.gov/edd](http://www.sanantonio.gov/edd) or call the Economic Development Department's Small Business Outreach Office at (210) 207-3910.

City ordinances require that SBEDA requirements be included with a weight of 20% for all professional services, discretionary contract RFP/Qs, and construction contracts in which the estimated cost exceeds \$25,000. The 20% is allocated as follows: 10% Local Business Enterprises; 5% for companies designated as Historically Underutilized Enterprises (HUEs); 5% Prime Contractor compliance with the small business policy. SBEDA requirements are subject to revision by City Council.

It is recommended that all draft RFP/Qs be provided to the Economic Development Department's Small Business Outreach Office for review prior to release of solicitation.

# Contracting Ethics

The City of San Antonio has adopted a Code of Ethics that establishes standards of conduct, disclosure requirements, and specific enforcement procedures for City staff and elected officials — both current and former — as well as candidates for public office, lobbyists, and individuals and firms doing business with the City.

As stated in the Code of Ethics:

“It is essential in a democratic system that the public have confidence in the integrity, independence, and impartiality of those who act on their behalf in government. Such confidence depends not only on the conduct of those who exercise official power, but on the availability of aid or redress to all persons on equal terms and on the accessibility and dissemination of information relating to the conduct of public affairs. . . By prohibiting conduct incompatible with the city’s best interests and minimizing the risk of any appearance of impropriety, this Code of Ethics furthers the legitimate interests of democracy.”

All staff engaged in contracting and procurement initiatives must adhere to the specific requirements contained within this Code of Ethics. Ethics Advisory opinions from the City Attorney’s Office may be viewed at <http://www.sanantonio.gov/atty/ethics/advisory.htm>. To obtain additional information about the City’s Code of Ethics, please contact the City Attorney’s Office.

To view the Code of Ethics online, please click on the following website:

<http://www.sanantonio.gov/atty/ethics/codetext.htm>

In addition to the Code of Ethics, the City of San Antonio City Council has adopted Municipal Campaign Finance Regulations, which may be viewed at <http://www.sanantonio.gov/ecfl/CampFinRegs.asp>. The regulation covers a range of information, as well as establishing restrictions on contributions to City Council members and candidates by respondents to RFP’s and RFQ’s for discretionary contracts designated as “high risk.”

# Law Governing City Contracting

While many laws exist that may affect individual contracts, certain statutes are relevant to many City procurements. Contracting Officers should be familiar with these statutes, but should continue to utilize the services of the City Attorney's Office for guidance. If the City will be spending federal dollars, then there will certainly be federal regulations pertaining to the expenditure as well. The Contracting Officer must ascertain what federal regulations are implicated by the expenditure. Some links to federal sources of information are provided below. The City Attorney's Office can provide guidance regarding expenditures of federal money.

This section also provides links to relevant state statutes that govern a large number of City contracts. However, laws are subject to change whenever the State Legislature is in session. One way to see whether a law is being revised while the legislature is in session is to check the Index to Sections affected on the State Legislature's website. Since it may also take a year before changes appear on the websites shown, it is prudent to continue to check the Index when relying on a statute. Statutes cannot, however, be read in a vacuum. Laws are subject to interpretation by opinions issued by courts (known as common law, or case law). A court can also rule a statute unconstitutional. The law may still continue to appear in the books, but have no force or effect. Therefore, while being familiar with the law will enhance contracting initiatives, it is still imperative that Contracting Officers continue to utilize the services of legal counsel.

For a general overview of contracting law and process, see "[Contract Law & Process: A Guide for Contracting Officers](#)".

## Texas Law

Texas Local Government Code, Chapter 252

Governs procurement of goods, non-professional services, high technology and insurance

[www.capitol.state.tx.us/statutes/lq.toc.htm](http://www.capitol.state.tx.us/statutes/lq.toc.htm)

Texas Local Government Code, Chapter 271, Subchapter H

Governs procurement of public property and construction of facilities (see also Chapter 252 above)

[www.capitol.state.tx.us/statutes/lq.toc.htm](http://www.capitol.state.tx.us/statutes/lq.toc.htm)

Texas Business & Commerce Code, Article 2

Governs the sale of goods

[www.capitol.state.tx.us/statutes/bc.toc.htm](http://www.capitol.state.tx.us/statutes/bc.toc.htm)

Texas Government Code, Chapter 2254

Governs procurement of professional services

[www.capitol.state.tx.us/statutes/gv.toc.htm](http://www.capitol.state.tx.us/statutes/gv.toc.htm)

Texas Government Code, Chapter 2258

Governs payment of prevailing wage rates by contractors

[www.capitol.state.tx.us/statutes/gv.toc.htm](http://www.capitol.state.tx.us/statutes/gv.toc.htm)

Texas Labor Code, Chapter 406, Section 406.096 and Title 28 Texas Administrative Code Chapter 110, Subchapter B, Section 110.110 Governs workers compensation coverage for contractors' employees and required notices

Labor Code: [www.capitol.state.tx.us/statutes/la.toc.html](http://www.capitol.state.tx.us/statutes/la.toc.html)

Administrative Code: [http://info.sos.state.tx.us/pls/pub/readtac\\$ext.ViewTAC?tac\\_view=4&ti=28&pt=2&ch=110](http://info.sos.state.tx.us/pls/pub/readtac$ext.ViewTAC?tac_view=4&ti=28&pt=2&ch=110)

Texas Government Code, Chapter 2251

Prompt Payment Act – Governs time for payment of invoices

[www.capitol.state.tx.us/statutes/gv.toc.htm](http://www.capitol.state.tx.us/statutes/gv.toc.htm)

Texas Government Code, Chapter 791

Interlocal Cooperation Act – governs cooperative contracts between local governmental entities for the performance of governmental functions and services. [www.capitol.state.tx.us/statutes/gv.toc.htm](http://www.capitol.state.tx.us/statutes/gv.toc.htm)

Texas Legislature Online



#### Official State of Texas website

Provides links to all Texas Statutes and Texas Constitution, and Index to Sections Affected. Also tracks history of bills introduced during each legislative session.

[www.capitol.state.tx.us/capitol.htm](http://www.capitol.state.tx.us/capitol.htm)

#### Index to Sections Affected

[www.lrl.state.tx.us/isaf/](http://www.lrl.state.tx.us/isaf/)

### **Federal Regulations**

Federal Government Website listing parties excluded from eligibility for contracts using federal funds. <http://epls.arnet.gov>

#### OMB Circulars

[www.whitehouse.gov/omb/circulars/index-slg.html](http://www.whitehouse.gov/omb/circulars/index-slg.html)

Federal agencies administering funds for programs issue codified rules implementing circulars. Check with the applicable agency to ascertain the specific rules under which your federally funded program operates.

# Retention of Records

A. Certified Contracting Officers (CCOs) must ensure specific records are retained in order to maintain a complete file, as well as comply with state law.

Local government records are defined as any document, paper, letter, book, map, photograph, sound or video recording, microfilm, magnetic tape, electronic medium, or other information recording medium, regardless of physical form or characteristic and regardless of whether public access to it is open or restricted under the laws of the state, created or received by a local government or any of its officers or employees pursuant to law, including an ordinance, or in the transaction of public business. Local government records do NOT include extra identical copies of documents created only for convenience of reference or research by officers or employees of the local government or notes, journals, diaries, and similar documents created by an officer or employee of the local government for the officer's or employee's personal convenience.

The following records must be retained\*:

1. Solicitation document (i.e., RFP or RFQ).
2. Addenda to the solicitation document.
3. Original proposals received in response to the solicitation document.
4. Signed Code of Conduct Statements from each Evaluation Team member.
5. Evaluation Team members' individual scores (by respondent and by criteria).
6. Evaluation Team's overall score (average of members' scores by respondent and by criteria).
7. City Council ordinance memo (if applicable).
8. Copy of department presentation to City Council (if applicable).
9. Ordinance approving contract award.
10. Contract (with successful respondent and City signatures).
11. Contract attachments and exhibits.
12. Contract amendments (with attachments/exhibits and, if applicable, City Council ordinance memo and ordinance).
13. Contract renewals (with attachments/exhibits and, if applicable, City Council ordinance memo and ordinance).
14. Memos and letters pertaining to the contract, its amendments, and its renewals.
15. Record of all communications pertaining to contract (with respondents or any other parties), including phone log and e-mails.
16. Evidence of deliverables per contract.
17. Record of respondent's performance (evaluation forms created for this purpose).
18. Insurance certificates, performance and/or payment bonds.
19. Any other supporting documentation that relates to the rejection, administration, renewal, or termination of the contract.

\*Excerpted from the Local Government Code, Section 201.003.

## Records Retention

Texas law requires that the Texas State Library and Archives Commission shall issue records retention schedules for each type of local government, including a schedule for records common to all types of local government. The records control procedures of a local government may not set a retention period for a record that is less than that established by the Library and Archives Commission. To obtain the retention schedules issued by this commission, go to [www.tsl.state.tx.us](http://www.tsl.state.tx.us) or click on the links below:

- [Records of Public Works and Services](#)
- [Records of Public Health Agencies](#)
- [Records of Public Safety Agencies](#)
- [Records of Justice and Municipal Courts](#)
- [Records of Elections and Voter Registration](#)
- [Records Common to all Local Governments](#)

Note: Some grant funds may require different record retention schedules than these listed above.

Contact the City Attorney's Office for questions regarding record retention requirements.

B. The length of time required to retain records varies depending on the type and is summarized below.

TYPE OF RECORD	MUST BE RETAINED
Contracts, formal bids, leases, agreements, & supporting documentation	4 years after expiration or termination
Unsuccessful responses to solicitations (RFP, RFQ, IFB)	2 years from date of receipt
Informal bids and bid documentation	1 year from date of receipt
Construction project files, including bids, contracts, & supporting documentation re: planning, design, construction, conversion, or modernization of local government-owned facilities, structures, and systems	Permanent retention

C. CCOs must collect all copies of proposals from Evaluation Team members following completion of the review process. Original proposals must be retained in accordance with retention guidelines. Once the contract has been awarded by City Council, copies of proposals must be disposed of as follows:

Step 1. CCO must submit a written request to his/her department Records Liaison Officer (RLO) to destroy copies of proposals. The written request shall identify copies of proposals by respondent's name and state number of copies to be destroyed. For example, "Company A: 5 copies, Company B: 5 copies."

Step 2. Upon request of RLO, CCO shall provide copies of proposals to RLO for destruction.

Note: Prior to destruction of documents, contact your Records Liaison Officer, the Municipal Records Facility, or the City Attorney's Office for instructions on how to proceed.

# Suspension and Debarment

Debarment is an action to exclude individuals or companies from contracting with an organization, such as the federal, state, or local government.

The purpose of debarment is to protect the government from risks associated with awarding contracts to individuals, companies, or principals of companies that have exhibited an inability or unwillingness to fulfill contractual requirements. Debarment also protects the government's interests by preventing individuals, companies or principals of companies who have displayed improper conduct from participation in the government's business for specific periods of time.

When using Federal funds, the City of San Antonio shall not award contracts, purchase orders, pass-through grants, or make any purchases through any other means of acquisition from individuals, companies, principals of companies, or delegate agencies that are on the List of Parties Excluded from Federal Procurement & Non-procurement Programs. This rule applies to procurement contracts for goods or services and to all non-procurement transactions, such as sub-awards to sub-recipients. In addition, individuals, companies, principals of companies, or delegate agencies awarded Federally-funded contracts by the City may not subcontract with firms on the List of Parties Excluded from Federal Procurement & Non-Procurement Programs.

If not performing the contracting internally, departments shall assume the responsibility for alerting the contracting entity (Purchasing, Public Works, Contract Services, etc.) when Federal funds are used.

Departments serving as the contracting entity when Federal funds are used - regardless of dollar value – shall be responsible for checking the List of Parties Excluded from Federal Procurement & Non-Procurement Programs, which is available on-line at <http://epls.arnet.gov>. If an individual, company, or principal of a company being considered for contract award with Federal funds is found to be on the list, the contracting entity shall advise the City Attorney's Office and Management Team representative prior to rejecting the respondent for award and proceeding with award to an alternate, as directed by the requirements of the Federal agency or department.

Bidders and respondents to Federally-funded solicitations are required to certify that neither they nor their principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in transactions by any Federal department or agency. Sample certification language for use with Invitations for Bid, Requests for Proposal, and Requests for Qualification is located in Appendix I (under Sample Documents).

In addition, by signing a contract agreement utilizing Federal funds, individuals and companies shall certify that neither they nor their principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in transactions by any Federal agency or department. The Federal agency or department funding the contract will supply the certification clause and provide direction for its use; however, the sample certification clause in Appendix I (under Sample Contracts) may be incorporated in the contract agreement if a certification clause is unavailable from the Federal agency or department.

## Principals for Debarment

Principals, for the purpose of certification for suspension or debarment include: officers; directors; owners; partners; and, persons having primary management or supervisory responsibilities within a business entity (e.g., general manager; plant manager; head of a subsidiary, division, or business segment, and similar positions).

**Sample Contractual Language Certification Regarding Debarment, Suspension, Proposed Debarment, and Other Responsibility Matters**

\_\_\_\_\_ certifies, and the City relies thereon in execution of this Agreement, that neither \_\_\_\_\_ nor its Principals are presently debarred, suspended, proposed for debarment, or declared ineligible, or voluntarily excluded for the award of contracts by any Federal governmental agency or department;

“Principals”, for the purposes of this certification, means officers; directors; owners; partners; and, persons having primary management or supervisory responsibilities within a business entity (e.g., general manager; plant manager; head of a subsidiary, division, or business segment, and similar positions).

\_\_\_\_\_ shall provide immediate written notice to City, in accordance with Article \_\_\_\_ . Notice, if, at any time during the term of this contract, including any renewals hereof, \_\_\_\_\_ learns that its certification was erroneous when made or has become erroneous by reason of changed circumstances.

\_\_\_\_\_’s certification is a material representation of fact upon which the City has relied in entering into this Agreement. Should City determine, at any time during this Agreement, including any renewals hereof, that this certification is false, or should it become false due to changed circumstances, the City may terminate this Agreement in accordance with Article \_\_\_\_ Termination.

**Avoiding Costly Pitfalls When Using Federal Funds**

Will the City be using Federal funds? If so, be aware that the City cannot contract with or make subawards to parties who are suspended or debarred by the Federal government. The prohibition exists even if a principal of the party is suspended or debarred. This rule applies to procurement contracts for goods or services and to all nonprocurement transactions, such as subawards to subrecipients. Contractors and all subrecipients must certify that the organization and its principals are not suspended or debarred. IT IS CITY POLICY that the Contracting Officer verify the certification, by checking the List of Parties Excluded from Federal Procurement and Nonprocurement Programs at <http://epls.arnet.gov/> at the time bids or proposals are received, and again just prior to award. Failure to follow the rules may result in loss of the federal funds, or even suspension or debarment.

# Prohibited Lobbying of City Staff

There are three “communication” phases of a contracting initiative which include: a) the period prior to issuance of the solicitation; b) the period during the solicitation; c) the period after the responses have been received and evaluated, but prior to Council approval.

Prior to issuance of the solicitation, open communication between potential respondents and City staff is permissible. However, once the solicitation has been released contact shall be limited to the City staff member identified in the solicitation document responsible for conducting the initiative. The solicitation should provide information about how to communicate with City staff in case potential respondents require clarification. The solicitation should require all questions be submitted in writing only (via letter, fax or e-mail) to a specific person no later than a specific date and time of day. Responses may take the form of an addendum, but must do so if the response provides significant information or in some way revises the original solicitation document. Addenda must be posted to the City’s website with the solicitation. Copies of the addenda should be distributed to all potential respondents known to have a copy of the solicitation document and to all contractors with an interest in the solicitation. The same prohibition of lobbying applies after the proposals are received and until City Council consideration and execution of the contract by the external party.

In order for the City to be fair and avoid any appearance of being unfair, it is imperative improper communication with contractors during the solicitation process be avoided. The following language has been incorporated into an approved RFP template: “Respondent shall not lobby or otherwise contact City employees before an award has been made, except as set out herein. Violation of this provision by respondent or his agent may lead to disqualification of its proposal from consideration.”

This policy is not intended to prohibit other City staff from participating in a dialogue with any or all respondents to a solicitation. In fact, there are occasions when City staff (other than the staff member responsible for the contracting initiative) must engage in a discussion with a respondent.

This policy applies to all City officials and staff except City Council members and personnel retained under contract by City Council members. Also excepted from this policy are staff members of the Small Business Outreach Office of the Economic Development Department, who may be contacted, but only prior to the submittal due date and only regarding issues specifically related to the City’s Small Business Economic Development Advocacy (SBEDA) Policy and/or completion of related forms. This policy is intended to be applied only when a competitive solicitation process is required for a discretionary contract.

# Chapter 2

## Contracting Roles & Responsibilities

### OVERVIEW

The purpose of this chapter is to describe the City's decentralized contracting organization and explain the roles of specific departments as they relate to citywide contracting initiatives.

### In this Chapter

Contracting Roles and  
Responsibilities

Purchasing and  
General Services

Public Works

City Attorney's Office

Other City Departments

Contract Services Department

Certified Contracting Officers

# Contracting Roles & Responsibilities

The City of San Antonio has a decentralized contracting organization. That is, departments assume contracting responsibility for specific types of contracts within specific limits as defined within this manual.

The Performance Review of the Business Contract Management Process and City Attorney’s Office, conducted in the Spring of 2001, reflected a recognition that there are certain inherent advantages associated with a decentralized contracting organization (subject matter expertise, less bureaucracy, quicker approvals, etc.). But, in order to promote consistency and accountability, departments and specifically designated staff must employ standard contracting processes within prescribed boundaries and specific authority, which are described as follows:

## Purchasing & General Services

The Department of Purchasing and General Services has the sole responsibility for the procurement of goods and non-professional services costing more than \$3,000 and for certain public works projects costing less than \$50,000. Generally, the procurements conducted by the Department of Purchasing and General Services are those which are governed by Section 252 of the Texas Local Government Code.

As with all contracts and procurements that require expenditures in excess of \$25,000, goods and non-professional services procured by the Department of Purchasing and General Services that cost over \$25,000 must be approved by City Council. However, for procurements not requiring statutory competitive bidding (procurements up to \$25,000) the Director of Purchasing and General Services, or designee, may execute contracts without City Council approval, so long as funds for those contracts are provided for in the budget and the procurement complies with applicable law.

Chapter 4, Section 18 details the required procedures for the procurement of goods and non-professional services.

## Public Works

The Department of Public Works is responsible for all public works contracts - agreements for the construction, repair, or renovation of a structure, road, highway, or other improvement of or addition to real property - requiring expenditures in excess of \$50,000.

Further, Professional Service contracts related to architectural and engineering services are conducted by or coordinated with the Public Works Department.

The Capital Programs Management Division stewards capital improvement projects from inception through completion of construction.

The Real Estate Section of this office provides support to a number of City departments, and sections including: Capital Programs, City Architects, Fire, Police, Parks and Recreation, and the Library. Specifically, this section acquires land for public use, purchases tracts of property, secures Fee Simple Title, Easements, Joint Use Agreements and numerous other title interests through negotiations whenever possible, or by eminent domain proceedings if necessary.

## City Attorney’s Office

According to the Charter of the City of San Antonio, the City Attorney:

“ . . . shall be the chief legal adviser of all offices, departments, and agencies and of all officers and employees of the City in matters relating to their official powers and duties. He shall represent the City in all legal proceedings. He shall perform all services incident to his position as may be required by statute, by this Charter or by ordinance. He shall draft all proposed ordinances granting franchises and shall pass upon all papers, documents, contracts and other instruments in which the City may be interested.”

**The City Attorney’s Office (CAO) is charged with drafting and reviewing all City contracts for form, content, and legal aspects of a business transaction.**

**Additionally, the CAO can help departments:**

- Determine the appropriate procurement method;
- Prepare an RFP, RFQ or Request for Interest Statement;
- Negotiate a business transaction, and;
- Identify records retention requirements.



## Contracting Roles & Responsibilities continued

### Other City Departments

**Other City Departments have the authority to contract for:**

- Goods and non-professional services with expenditures up to \$3,000, so long as it is provided for in the budget and complies with applicable law.
- Professional Services up to \$25,000 — with the exception of architectural and engineering professional services.

Departments can also utilize a petty cash account and a "procurement card" to accomplish certain purchases. Please see Chapter 4, Section 16 for instructions.

**Departments may not execute contracts for:**

- Insurance or High Technology procurements;
- Goods and services provided to the City through an existing City of San Antonio Annual Contract; or
- Public Works Contracts (see public work definition, page 111).
- **All contracts that require an expenditure of more than \$25,000 must be approved by City Council.**

### Contract Services Department

The Contract Services Department provides centralized guidance for contract management and:

- Is responsible for the development and implementation of contracting policy and process;
- Provides contracting consulting services to City departments;
- Is charged with ensuring compliance with policies and procedures detailed within this manual;
- Conducts contract compliance reviews to ensure appropriate contract administration is taking place;
- Provides training to City contracting staff.

### Certified Contracting Officers

Certified Contracting Officers (CCOs) are individuals responsible for conducting contracting activity for the City of San Antonio on behalf of their departments. They are tasked with ensuring all applicable state and local laws are observed when bids and proposals are solicited, evaluated, and awarded. CCOs must also be familiar with the variety of process steps used with different contract types.

To become a Certified Contracting Officer, an individual must first be nominated by his department director to the Contract Services Department, then attend a series of training sessions to build familiarity and confidence in the basics of contract law, negotiation, and the range of process steps associated with multiple types of contracts.

Certified Contracting Officers serve as valuable sources of information for their departments' staff, as well as providing assurance to San Antonio's citizens that all contracting efforts are conducted appropriately, ethically, and in accordance with all applicable laws, guidelines, and regulations.

# Chapter 3

# Competitive Solicitations

## OVERVIEW

The purpose of this chapter is to define different types of competitive procurements, when they should be used, and how to properly evaluate submissions received in response to a Request for Proposals.

### In this Chapter

Invitation for Bids

Competitive Sealed Proposals

Request for Qualifications (RFQ)

Request for Proposals (RFP)

Required Forms in RFPs  
and RFQs

Evaluating Proposals

Solicitation Irregularities

# The Development of Competitive Solicitations

## Invitation for Bids (IFB)

An Invitation for Bids (IFB) under Texas Local Government Code, Chapter 252 is a competitive solicitation whereby the contract may be awarded to the lowest responsible bidder or the bidder providing the best value. If awarded to the lowest responsible bidder, the contract is awarded based on price alone. If the IFB states that the contract may be awarded to the bidder providing the best value, then the contractor may be selected based upon criteria set forth in the IFB. Both are required to be advertised and opened publicly, in accordance with the requirements of that statute.

## Competitive Sealed Proposals (CSP)

A Competitive Sealed Proposal (CSP) under Texas Local Government Code is a competitive solicitation whereby the contract may be awarded based upon criteria set forth in the Request for Competitive Sealed Proposals. The Request must state the relative importance of price and the other selection criteria specified. All selection criteria must bear a definite and objective relationship to matters of quality and competence.

CSPs may be used for the procurement of high technology and insurance, as set forth in Chapter 252 of the Texas Local Government Code. This statute sets forth advertising requirements, and the proposals are opened publicly; however, the contents, other than the names of the proposers, may be kept confidential during negotiations. Proposers may be allowed to change their proposals after the time set for the public opening, as long as all proposers are treated fairly and given the same opportunities.

CSPs may also be used for the construction of a facility, as set forth in Chapter 271 of the Texas Local Government Code. This statute sets forth advertising requirements, and proposals are opened publicly. The City shall read aloud the names of the offerors and, if any are required to be stated, all prices stated in each proposal. The City shall first attempt to negotiate a contract with the selected offeror and may discuss options for a scope or time modification and any price change associated with the modification.

## Request for Qualifications (RFQ)

A Request for Qualifications (RFQ) is a solicitation instrument used to gather information regarding a firm's capabilities, qualifications, and competence. RFQs are commonly used for architectural services, landscape architectural services, engineering services, and land surveying. It differs from a Request for Proposal in that an RFQ is used for certain professional services where **price cannot provide the basis for awarding a contract**.

The Texas Local Government Code Chapter 2254 specifically describes services that cannot be awarded on the basis of cost alone. Evaluations are made on the basis of competence and qualifications, for a fair and reasonable price. For certain other professional services identified in this statute, a determination must first be made that a firm is the "most qualified" and only upon the conclusion of that determination should the costs of the service be discussed. Qualifications and competence can typically only be determined by an evaluation of submissions made in response to an RFQ.

The development of a Request for Qualifications tracks the RFP development process that is described in the following pages. The exception, as mentioned, is that an RFQ for certain professional services cannot have price as an evaluation factor.

For further information about when an RFQ should be used, contact the Contract Services Department or the City Attorney's Office.

## **"An Offer to Make Offers..."**

IFBs, CSPs and RFPs are offers to make offers under basic principles of contract law. They do not bind the City to enter into a contract. However, it is wise to so state in the solicitation document to avoid confusion.

## **Bids vs. RFPs**

Texas state law (Texas Local Government Code Chapter 252) sets forth specific guidelines regarding when a bid must be used and when a more discretionary procurement process (CSPs, RFPs, RFQs) can be employed. Contact the City Attorney's Office or the Contract Services Department when there are questions about the type of solicitation that should be used for a particular contracting or procurement initiative.

## **Best Value IFB**

A best value bid is issued like a normal Invitation for Bid. A best value bid contains evaluation criteria, which may include price and other factors.

Best value bids are only used for procurements of goods and non-professional services over \$25,000.

Contact the Purchasing Department or the City Attorney's Office for more information about when a best value bid can be employed.

**Request For Proposals (RFP)**

A Request for Proposals (RFP) is a competitive procurement process, which allows the City to consider factors in addition to price as a means of selecting a contractor. This type of procurement is considered discretionary since the City chooses the factors upon which to base its evaluation, and then uses its discretion in rating the proposals.

The goal of a RFP is to solicit comparable proposals from several contractors. If a RFP is unclear, contractors are unlikely to submit proposals or the proposals that are submitted may be vastly different and make evaluation difficult or impossible. Therefore, it is essential that significant thought be applied when developing a RFP.

The tone set in the development of a RFP will determine the quality of the overall process. The demands of the RFP on potential respondents, the conduct of the pre-proposal conference, the responses to requests for clarification and issuance of addenda, the evaluation and safeguarding of proposals, the presentation of award recommendations, the communication with unsuccessful respondents, and the administration of the contract directly affect the level of participation by superior contractors on future RFPs. When City departments competently and professionally conduct the RFP process, all parties tend to perform at a higher level and the entire City benefits.

The City has a number of resources available to departments planning to issue a RFP. Sample RFPs are available from the Contract Services Department, as well as from departments with regular experience issuing RFPs. Other cities may be contacted for samples, since they may have used RFPs to satisfy similar requirements. Checking the Internet is another means to discover current RFPs, as well as RFPs posted on the City's website. Also, the State of Texas has a very useful document available, applicable to RFPs; it may be accessed at <http://www.tbpc.state.tx.us/stpurch/contractguide.html>.

Several departments have utilized consultants with expertise in the particular high technology or professional service being sought. Consultants can provide value via their knowledge of specific business sectors and market trends, which can be useful to departments when drafting RFPs and evaluating responses. Although using consultants may at times be cost prohibitive, departments may wish to consider this option when working with high dollar and/or high visibility acquisitions.

The City Attorney's Office, the Contract Services Department, the Risk Management Division of Human Resources, and the Small Business Program Office of the Economic Development Department should be contacted for advice and assistance early in the process of developing all RFPs, and each of these offices should be asked to review the RFP prior to advertisement. A RFP Template is provided in the appendix of this manual.

**RFP Components:**

**Project Overview**

An RFP should begin with a section describing the reason it is being issued. This section may be titled Overview, Project Overview, Introduction, Background, Needs Assessment, or Summary. Any title or combination of titles is appropriate as long as it provides the history of the project, the purpose of the project, what the completed project will be, and, if time is critical, when the work must be completed. This section does not need to be lengthy, but it does need to include enough information for contractors to decide whether this is a project in which they may have an interest.

**Scope of Services**

The Scope of Services, Statement of Objective, or Scope of Work defines what the City requires to be accomplished – where and when the work will occur and the extent of the work. RFPs should be detailed and include all requirements the City will expect of the successful contractor. However, departments must be careful to remember it is the contractor who must propose how the work will be accomplished and the objectives achieved. For example, a requirement for services may state, "Respondent must have a local office within 20 miles of City Hall." Although this is a measurable requirement, it does not guarantee a quick response. A preferred requirement would state, "Respondent must provide evidence of ability to deliver service to City Hall within two hours of initial call for service."

**What is an RFP?**

A Request for Proposal (RFP) is a competitive solicitation whereby a contract may be awarded based upon the criteria set forth in the RFP.

**When to Use an RFP?**

RFPs are commonly used for soliciting professional services, consulting, and many revenue contracts.

**30 Day Solicitation Waiver**

Generally, an RFP is advertised for 30 days. A waiver can be granted by the Economic Development Dept. to accommodate special circumstances. Contact the Economic Development Dept. for more information.

**Policy Directive**

**Departments must maintain consistent evaluation criteria among RFPs for similar requirements. See the appendix for an example.**

**Alternate criteria must be approved by Contract Services Department prior to advertising the solicitation.**

**Policy Directive**

**All Requests for Proposals (RFPs) and Requests for Qualifications (RFQs)– except those for architectural and engineering services – must be directed to the Contract Services Department for review and approval prior to solicitation.**

**Architectural and engineering (A&E) solicitations that are developed outside of the standard RFQ template, or those A&E solicitations expected to exceed \$250,0000 must also be directed to the Contract Services Department for review and approval prior to solicitation.**



## **RFP Components continued:**

### **Submittal Instructions**

All RFPs must include instructions about how to submit proposals. This should include where and when to deliver proposals, including any special instructions for marking the outside of the box or envelope, the required number of copies, the required format of the proposal, and identification of any necessary documents and/or completed forms. Departments should consider setting a maximum number of pages that proposals may contain, as this limits extraneous information being submitted, encourages contractors to focus on the City's requirements, and promotes the ease of evaluation. Similarly, this section should state whether computer diskettes and/or compact disks will be reviewed and considered; they generally are not reviewed and considered if the proposal has page limits.

### **Prohibited Lobbying of City Staff**

There are three "communication" phases of a contracting initiative which include: a) the period prior to issuance of the RFP; b) the period during the solicitation; c) the period after the responses have been received and evaluated, but prior to Council approval. Prior to issuance of the RFP, open communication between potential respondents and City staff is permissible. However, once the RFP has been released, contact is limited to the City staff member identified in the RFP responsible for the conduct of the initiative. The RFP should provide information about how to communicate with the City in case potential respondents require clarification. The RFP should require questions be submitted in writing (via letter, fax, or e-mail) to a specific person no later than a specific date and time of day. Responses may take the form of an addendum to the RFP, but must do so if the response provides significant information or in some way revises the original RFP. Addenda must be posted to the City's website with the RFP. Copies of the addenda should be distributed to all potential respondents known to have a copy of the RFP and to all contractors with an interest in the RFP. The same prohibition of communication should also apply after the proposals are received until City Council consideration and execution of the contract by the external party.

In order for the City to be fair and avoid any appearance of being unfair, it is imperative improper communication with contractors during the solicitation process be avoided. The following language can be

incorporated in the solicitation documents to help achieve this goal: "Respondent shall not lobby or otherwise contact City employees before an award has been made, except as set out herein. Violation of this provision by respondent or his agent may lead to disqualification of its proposal from consideration."

This provision is not intended to prohibit other City staff from participating in a dialogue with any or all respondents to a solicitation. In fact, there are occasions when City staff (other than the staff member responsible for the contracting initiative) must engage in a discussion with a respondent. However, in all cases, requests for a dialogue with a respondent or respondents, or for the gathering of other information from solicitation respondents must be routed through the City staff member responsible for the solicitation.

This policy applies to all City officials and staff except City Council members and personnel retained under contract by City Council members. It is intended to be applied only when a competitive solicitation process is required for a discretionary contract.

### **Terms and Conditions**

This section, or sections, includes insurance, indemnification, and bond requirements, if any. "Boilerplate language" may be incorporated here, along with information about award of the contract and reservation of the City's rights. It is necessary for contractors to be aware of all terms and conditions that are non-negotiable. If possible, a sample contract should be included with the RFP. The City Attorney's Office can be very helpful in supplying valuable language for RFPs and all departments should utilize their services.

### **Pre-Proposal Conference**

If a Pre-Proposal Conference is planned, the RFP should identify when and where it will be held. Pre-Proposal Conferences should be conducted a minimum of 10 to 15 calendar days after the RFP is advertised and/or distributed and a minimum of 10 calendar days prior to the proposal due date. If attendance is mandatory, this should be clearly stated; however, it should be recognized that requiring attendance at a Pre-Proposal Conference can have the effect of reducing the number of proposals submitted and possibly eliminating a high quality proposal. The purpose of a Pre-Proposal Conference is

only to clarify the RFP and not to facilitate arguments from contractors regarding the City's requirements. If valid suggestions or objections are received, they should be seriously considered by the City department following the conference and, if modification of the RFP is necessary, an addendum should be issued promptly. For additional information regarding pre-proposal conferences, contact the Contract Services Department.

### **Price**

Each RFP needs to detail how pricing information must be submitted and how it will be considered during the evaluation of proposals. Including a form for prices as part of the RFP and requiring contractors to complete the form and submit it as part of their proposal will ensure that contractors provide pricing information uniformly. This will simplify price comparisons. A pricing form, sometimes called a "price schedule," can be simple or complex, but not including one as part of an RFP can create unnecessary, time-consuming challenges during proposal evaluations.

### **Evaluation Criteria**

RFPs must identify the evaluation criteria to be used in the review process. Proposals can only be evaluated using the criteria listed in the RFP.

Stating the evaluation criteria in the RFP and then following the criteria during the evaluation process makes the selection process easy to defend.

Evaluation criteria provide the basis for identifying a proposal which best meets the City's needs; therefore, it is essential that key factors be included for consideration. The most effective evaluation criteria are those which are objective (not subject to interpretation), measurable, fair, reasonable, and relate directly to the requirement being supported. It is also important to avoid including evaluation criteria which may be difficult to measure.

Weights are to be assigned to each evaluation criteria (or "factor"), based on their relative importance. Assigning weights on a 100 point scale is the preferred method for City of San Antonio RFPs.

The following example of evaluation criteria and their respective weights is from an RFP for a professional service contract to conduct training classes:

RFP Components continued:

EVALUATION CRITERIA	WEIGHT OF CRITERIA
Background, Experience, Capability	35%
Proposed Plan	25%
Price	20%
Compliance with SBEDA Reqs./Goals	20%

**RFPs may include more evaluation criteria than the above example, however, departments should strive to maintain consistent evaluation criteria among RFPs for similar work.** Evaluate financial stability on RFPs for concession agreements or other agreements in which payments are due to the City.

City ordinances require that Small Business Economic Development Advocacy (SBEDA) requirements be included with a weight of 20% for all discretionary contract RFPs above \$25,000.00. Since this requirement is subject to revision by City Council, it is recommended that all draft RFPs be provided to the Economic Development Department for review prior to solicitation.

**Required Forms in RFPs and RFQs**

In addition to the components discussed on the previous pages, discretionary, competitive solicitations must also include the following forms as attachments to the RFP/Q document:

- General Questionnaire
- Litigation Disclosure
- Discretionary Contracts Disclosure
- Small Business Economic Development Advocacy Program
  - List of Subcontractors/Suppliers (Contracts Valued over \$25,000 up to \$200,000)
  - Good Faith Effort Plan (Contracts Valued over \$200,000)

These forms as well as other optional forms are included in the [Professional Services RFP](#) template.

**How to Advertise an RFP or RFQ:**

- Prepare a memo from your Department to the City Clerk requesting legal notice publication in minority-targeted media;
- The memo needs to include the date you wish the notice to appear, the cost center to be charged for publication costs, and a request for the City Clerk’s Office to obtain certification of the published notice.
- Attach to the memo the “ad copy” you wish to have published. The typical ad copy contains a brief description of the project, the RFP/Q availability date and location, and the closing date of the solicitation (see Appendix A for a sample memo and ad copy). If a mandatory pre-submission conference is required, include the date, time and location as a minimum in the ad copy language.
- The memo and ad copy should be e-mailed to the Senior Account Clerk in charge of advertising notices at the City Clerk’s Office; s/he will coordinate publication of the RFP/Q with appropriate media sources.
- Send an e-mail to the Contract Services Department containing the information above and attach a digital copy of your RFP/Q document and any exhibits, tables, etc., requesting the document be posted on the City’s RFP/Q web page: <http://www.sanantonio.gov/rfp/> or <http://www.sanantonio.gov/capprog/rep/rfqrep.asp>.

# Evaluating Proposals

In order to conduct effective proposal evaluations, the following three factors are necessary: a clearly written Request for Proposal (RFP), fair evaluation criteria, and a knowledgeable Evaluation Team.

Before the evaluation of proposals begins, the Evaluation Team members and support staff are required to sign a Code of Conduct Statement as required by policy directive 9. After the Code of Conduct Statement has been signed by all, the Evaluation Team should meet to discuss the scoring process and understand how to score proposals. Each member of the Evaluation Team should be provided a copy of the RFP, a copy of all responses received, and evaluation worksheets that list evaluation criteria and the maximum number of points available for each criterion. Evaluation worksheets that identify mandatory requirements are also useful in that they help to streamline the review of proposals.

The first step in evaluating proposals is determining compliance with mandatory requirements. Mandatory requirements appear in the RFP with the words “must” or “shall.” For example, “Respondent must provide evidence of capability to provide on-site repair support within two hours of initial request” or “Respondent shall provide a warranty of no less than 24 months for all equipment to be provided as part of the proposed contract.” Proposals that fail to meet mandatory requirements do not merit substantial review time by Evaluation Team members.

After checking mandatory requirements, team members should assign points to each criterion based on a thorough review of the proposal. Members should complete an evaluation worksheet for each proposal with a list of specific strengths and weaknesses, referenced by page number, in order to justify their point totals.

Each evaluation team member should be able to justify his/her assigned scores - either to other team members, Management Team members, and/or the San Antonio City Council.

Assigning points for price can be done several ways, but the method should be decided before proposal evaluations begin. Usually, the lowest priced proposal receives the maximum number of points and the other proposals receive a percentage of the maximum number of points based on a comparison with the lowest priced proposal. See example below.

Proposal	Price	Calculation*	Points
A	\$75,000	$(25,000/\$75,000) \times 20$	6.67
B	\$25,000	$(25,000/\$25,000) \times 20$	20
C	\$50,000	$(25,000/\$50,000) \times 20$	10

*\*Maximum possible number of points is 20.*

When the Evaluation Team meets to discuss and rank the proposals, individual team members shall have assigned scores to evaluation criteria for every proposal and be familiar with the contents of all proposals. The Team should discuss the evaluation criteria and the responses to ensure each team member has fully considered and understands the proposals. Based upon this discussion, individual scores may be adjusted and evaluation worksheets modified to reflect any revisions.

## The RFP/RFQ Evaluation Process – Theoretical Underpinnings

The process of evaluating responses to a Request for Proposals is inherently subjective. Without the application of objective data and quantitative rigor, problems may occur.

The goal of this section of the manual is to provide a methodology that can be employed when evaluating responses to a Request for Proposal or a Request for Qualifications.

Every RFP/Q should alert prospective respondents as to how the evaluation process will work and what criteria will be used for evaluation. However, just listing the criteria is not enough. Each criterion must be assigned a weight, that is, a score that reflects a particular criterion’s relative importance in relationship to other criteria. This chapter details how that assignment should be accomplished.

Please note that for some services (services related to architecture, landscape architecture, land surveying, engineering, and other specific professional services) an evaluation CANNOT be made on the basis of price. Please read this chapter for more details and/or contact the staff of the Contract Services Department or City Attorney’s Office.

The Certified Contracting Officer (CCO) shall average team members’ individual scores to assign a final score for each evaluation criteria. This “individual scoring” method shall be used in all proposal evaluations with the following exception.

**EXCEPTION TO INDIVIDUAL SCORING.** When some team members have limited subject matter expertise, a “consensus scoring” method may be appropriate. For example, if financial integrity were an evaluation criteria and not all team members were skilled in interpreting financial statements, balance sheets, income statements, or annual reports, the CCO may rely on one or more members to evaluate the criteria and recommend a score with the consensus of the team. For initiatives identified as high risk within SAP, only a Management Team member may authorize the use of “consensus scoring.” For all other initiatives, the Contract Services Department may authorize “consensus scoring.”

After the Evaluation Team has finalized assigned points for each proposal’s evaluation criteria, the Small Business Program points (local and disadvantaged business enterprise performance and SBEDA policy compliance) as scored by the Small Business Program Office of the Economic Development Department should be disclosed. By utilizing this process sequence, Evaluation Teams ensure objectivity throughout the review and assignment of points.

At this point in the process, the Evaluation Team should decide if one proposal is clearly superior, if it satisfies the City’s needs, and if the proposal adequately addresses members’ concerns. If so, the CCO may advise the department director and request authority to proceed to negotiate with the highest rated respondent to finalize the contract.

However, if the Evaluation Team wishes to interview one or more respondents, and/or request a presentation from one or more respondents, the CCO may arrange it. Establishing a time limit on interviews and presentations by respondents can be helpful in that the introduction of extraneous information is minimized. Following interviews/presentations, the Evaluation Team makes a final rating to identify a firm for a contract award recommendation which is subject to City Council approval.

The CCO shall prepare a Proposal Evaluation Summary ([SAMPLE](#)) or scoring matrix to summarize the evaluation team’s ratings and include the scoring matrix as an attachment to the City Council Ordinance Memo. A copy of the scoring matrix must be included in the contract file. In addition, the CCO shall also include a copy of each team member’s scoring matrix in the contract file when the individual scoring method is utilized.

## Evaluation Sequence and SBEDA Scoring

It is important to disclose scores for SBEDA criteria last. By doing this, Evaluation Teams ensure objectivity throughout the review and assignment of points.

### When Serving as an Evaluation Team Member:

- Sign Code of Conduct Statement
- Attend all meetings;
- Review proposals thoroughly;
- Respect confidentiality of submitting proposer;
- Abide by City Ethics Code and Code of Conduct Statement; and
- Approach each evaluation without bias.

### Policy Directive

**The composition of the evaluation team on all high risk contracting initiatives (those initiatives that have at least one “high risk” criterion on the SAP risk evaluation tool) must be approved by the department’s Management Team Member. The four high risk criteria are: dollar amount, solicitation method, community interest, and contract complexity.**



## Evaluation Team

A CCO should serve as the leader of an Evaluation Team. In cases when a department has a more experienced individual to lead an Evaluation Team, the CCO may function instead as a facilitator. Whatever his function, a CCO should participate in all phases of a proposal evaluation to ensure compliance with all City policies and procedures.

Evaluation Teams should be composed of subject matter experts, who are willing and able to dedicate the time necessary to conduct a thorough review of proposals. It is useful to have an uneven number of persons on an Evaluation Team in case issues need to be resolved by voting. All members of an Evaluation Team should be advised of the seriousness of evaluating proposals and reminded of their responsibility to conduct themselves in accordance with the Ethics Code of the City of San Antonio. **Evaluation Team members and support staff will be required to sign a Code of Conduct Statement prior to handling and reviewing proposals.**

Selection of Evaluation Team members should be completed as early as possible. Ideally, team members are selected early enough to participate in drafting the RFP. Doing so leads to a greater understanding of the requirement on the part of Evaluation Team members, as well as an enhanced commitment to the entire process. It is the policy of the City of San Antonio that the Management Team member for the initiating department must approve the composition of all Evaluation Teams when the acquisition is determined to be high risk.

## Responsibilities of Evaluation Team members:

- Attend all Evaluation Team meetings
- Complete Code of Conduct Statement ([SAMPLE](#))
- Upon receipt of proposals, Evaluation Team members should:
  - Review each proposal thoroughly;
  - Determine if all mandatory requirements have been satisfied;
  - Identify strengths and weaknesses in each proposal;
  - Document strengths and weaknesses (by page number);
  - Identify areas of proposal requiring clarification;
  - Identify contradictory information within document (by page number);
  - Complete evaluation worksheet for each proposal reviewed;
  - Meet as scheduled to discuss proposal evaluations; and
  - Attend interviews/presentations by respondents, if scheduled.

## Responsibilities of the Certified Contracting Officer:

- Invite individuals to serve on RFP Evaluation Team;
- Select an uneven number of members (in case voting is required to resolve differences);
- Convene a meeting of Evaluation Team members in order to:
  - Describe the procurement;
  - Describe the members' responsibilities;
  - Review evaluation criteria and scoring method;
  - Describe security procedures during evaluation process;
  - Outline schedule and agree on meeting dates;
  - Obtain signatures on Code of Conduct Statement ([SAMPLE](#)).
- Upon receipt of proposals, Contracting Officer should:
  - Distribute proposals;
  - Provide evaluation worksheets ([SAMPLE](#));
  - Advise Evaluation Team of date/time/location of meeting(s);
  - Contact references, previous customers, and other sources;
  - Chair Evaluation Team meeting(s) to discuss proposals;
  - Invite respondents for interviews/presentations regarding proposal, if necessary;
  - Ensure a fair, thorough review of proposals is conducted;
  - Negotiate specific terms of contract with highest rated respondent, if necessary;
  - Prepare a summary ([SAMPLE](#)) of the Evaluation Team's proposal ratings.

### Policy Directive

Evaluation Team members and support staff will be required to sign a Code of Conduct Statement ([SAMPLE](#)) prior to handling and reviewing proposals. It is the responsibility of the CCO to ensure that each signer understands the contents of the Code of Conduct Statement and has been briefed regarding their responsibilities related to conflict of interest and non-disclosure of information obtained during the reviews. The CCO shall file the signed Code of Conduct Statements with the contract file.

### Policy Directive

**The composition of the evaluation team on all high risk contracting initiatives (those initiatives that have at least one “high risk” criterion on the SAP risk evaluation tool) must be approved by the department’s Management Team Member. The four high risk criteria are: dollar amount, solicitation method, community interest, and contract complexity.**

### Can Additional Information Be Requested from the Respondents ?

Only the CCO may request clarification from respondents, which should be performed as soon as the need for additional information has been discovered.

The CCO must observe the following when requesting additional information from respondents:

- Put the request for information in writing and document date and time sent and to whom it was addressed; include a deadline for the respondent to provide the requested information
- Once the information is received from the respondent(s), provide a copy of the information to each evaluation team member. If the information is received prior to distribution of the proposal packets to team members, provide a copy of the information with the proposal packet and explain the changes thoroughly at the first evaluation meeting.

# Solicitation Irregularities

Solicitation responses are considered irregular, if for example, they show omissions, unauthorized alterations to the form, additions not called for, conditional or unauthorized alternate bids, incomplete unit prices, or other irregularities of any kind.

The following table contains the most common types of irregularities encountered in the solicitation process and available remedies. If in doubt regarding how to handle a particular solicitation irregularity, contact the Contract Services Department and the City Attorney's Office for assistance.

Deviations from the Guidelines for Resolution detailed below

	Solicitation Irregularity	Guidelines for Resolution	RFP	RFQ	BID	CSP
1	Bidder/Respondent submits bid/proposal after time specified.	Do not accept or open bid/proposal.	X	X	X	X
2	Bidder/Respondent does not sign bid/proposal.	Bid/proposal is declared non-responsive and rejected.	X	X	X	X
3	Bidder/Respondent does not provide a bid/proposal bond with submission in accordance with the requirements of the bid/solicitation.	Bid/proposal is declared non-responsive and rejected.	X	X	X	X
4	Bidder/Respondent does not submit SBEDA forms (Good Faith Effort Plan or List of Subcontractors/Suppliers) with bid/proposal.	Bid/proposal is declared non-responsive and rejected.	X	X	X	X
5	Bidder alters or changes Terms and Conditions contained in the Invitation for Bid.	Bid/proposal is declared non-responsive and rejected.	N/A	N/A	X	N/A
6	Bidder/Respondent does not submit required documents with bid/proposal (literature, catalogs, etc). These documents are needed to clarify or to evaluate the bid/proposal.	Accept bid/proposal and allow bidder/respondent a reasonable amount of time to provide required information, unless the solicitation document provides otherwise.	X	X	X	X
7	Bidder/Respondent does not acknowledge addendum (addenda).	Accept bid/proposal. Allow bidder/respondent to verify acknowledgment of the addendum. If addendum contains pricing, bidder/respondent will not be considered for those item(s).	X	X	X	X
8	Bidder/Respondent does not submit entire bid/proposal document. Bidder/Respondent submits only Price Schedule, signature page, and other documents specifically required by the solicitation document.	Accept bid/proposal. Signature page of solicitation document must state that bidder/respondent is accepting all of the terms and conditions contained in the City's solicitation.	X	X	X	X
9	Bidder/Respondent does not submit required number of bids/proposals as specified in the IFB/RFP/RFQ.	Accept bid/proposal.	X	X	X	X
10	Bidder/Respondent does not submit Discretionary Contracts Disclosure Form as required by the solicitation document.	Accept bid/proposal. Signed copy must be received prior to City Council consideration. This form does not apply to "low bid" procurements.	X	X	X	X
11	Bidder/Respondent does not submit Litigation Disclosure Form with RFP/RFQ/"Best Value" bid.	Accept bid/proposal. Completed copy must be received prior to City Council consideration. This form does not apply to "low bid" procurements.	X	X	X	X
12	Bidder offers alternate packaging.	Accept bid at the City's discretion if alternate packaging is allowed in the Invitation for Bid.	N/A	N/A	X	N/A
13	Bidder offers alternate unit of measure.	Accept bid at the City's discretion if an alternate unit of measure is allowed in the Invitation for Bid. Extension will be tabulated to reflect the adjusted total.	N/A	N/A	X	N/A
14	Bidder does not state packaging.	Accept bid with clarification from the bidder that packaging offered is as specified. No alternates in packaging are acceptable if left blank.	N/A	N/A	X	N/A
15	Bidder does not state brand and model being offered.	Accept bid with clarification from the bidder that brand and model being offered are as specified. No alternates are acceptable if left blank.	N/A	N/A	X	N/A
16	Bidder does not provide delivery date.	Accept bid and allow bidder a reasonable amount of time to clarify delivery commitment.	N/A	N/A	X	N/A
17	Bid contains error in unit price or unit price extension.	Changes cannot be made to the unit price. Unit price prevails. Extended price may be adjusted to correct errors.	N/A	N/A	X	N/A
18	Bidder submits SBEDA forms (Good Faith Effort Plan or List of Subcontractors/Suppliers) with bid/proposal but are not signed.	Accept the bid and allow the bidder/respondent to sign form.	X	X	X	X

# Chapter 4

# Contracting Processes

## OVERVIEW

The purpose of this chapter is to document the process steps taken to initiate and monitor various types of municipal contracts.

### In this Chapter

Assessment of Contractual Risk  
Architectural Services Contracts  
Catering Agreements  
Concession Agreements  
Construction Contracts  
Economic Development Contracts  
Engineering Services Contracts  
Franchise Agreements  
Grant/Delegate Agency Contracts  
Leases  
Licenses  
One-Time Events  
On-Call Contracts  
Park Project Services Contracts  
Personal Services Contracts  
Professional Services  
Procurement of Goods & Non-Professional Services  
Real Estate Appraisal Contracts  
Other Contract Types  
Extensions & Renewals

# Assessment of Contractual Risk

One of the most important observations noted in the “Performance Review of the Business Contract Management Process and City Attorney’s Office,” presented to the San Antonio City Council in May 2001, was the inability of management to distinguish contracting initiatives by level of risk and complexity. To address this issue, a risk assessment tool was added to the SAP system. Completion of the four-question “Risk Assessment” is required for submission of the anticipated contract record. The four “yes” or “no” questions are related to:

- Contract Value (over the life of the contract, will the contract exceed \$1,000,000?)
- Procurement Method (if the contract value exceeds \$25,000, will agreement be obtained without competitive solicitation?)
- Complexity of the Service Procured or Contract Terms (is the service/good of highly complex nature, or will the contract terms be non-standard?)
- Community Interest (will there be a high level of community or other exceptional interest in this agreement?)

The purpose of this assessment tool is to minimize the risk of all contracting initiatives, through the promotion of appropriate review and a greater degree of analysis. A particular contracting process will not change according to an assessed risk level. What will change, however, is the level and degree of review the anticipated contract receives before it is scheduled for City Council action.

This higher degree of review begins with Contract Services Department staff contacting the originating department to gather more information on the contracting initiative and the proposed contractor, if appropriate.

Contract Services Department, working with the originating department, may recommend the item receive Management Team Review and/or City Council Committee review. While not every anticipated contract containing risk elements will require this level of review, the process defined above provides Management with a reporting tool that distinguishes contracting initiatives by level of risk and complexity.

# Architectural Service Contracts

All architectural service contracts must use a “two-step” procurement process of first determining the most competent and qualified firm, and then negotiating a fair and reasonable price.

The following steps apply to architectural service contracts greater than \$25,000.

Architectural Service Contracts less than \$25,000, may also utilize the following steps. However, City Council approval, application of SBEDA scoring criteria, and advertising the requirement are not mandatory, if the contract is less than \$25,000 and is not bond funded. Alternate methods of soliciting a firm’s qualifications prior to selection and price negotiation include contact by telephone, e-mail, fax, or mail.

<u>Responsible Party</u>	<u>Development Step</u>
<b>A.Originating Department</b>	Step 1 Identify need to secure architectural services. Submit Request for Service Form (SAMPLE) to Capital Programs/Public Works Dept.
	Step 2 Meet with Capital Programs/Public Works Dept. to develop program and cost estimate of project.
	Step 3 Obtain funding for project through budgeting process.
	Step 4 Enter the information pertaining to the agreement into SAP as a requisition, This entry includes a risk assessment of the proposed agreement. In the event that the proposed agreement is identified as “high risk,” the director of the originating department and the Contract Services Department are notified that the project shall be candidate for additional review by all coordinating departments and if appropriate, additional actions including a Management Team Review. Details for this step are outlined in the <a href="#">SAP Day One Guide - Requisitions</a> .
	Step 5 Develop project description, scope of services, and time schedule in conjunction with Contract Services Section of Public Works.
	Step 6 Submit memo (SAMPLE) to Contract Services Section of Public Works requesting issuance of Request for Qualifications (RFQ). This step should occur in the fiscal year the funds have been allocated.
<hr/>	
<b>B. Public Works Dept.</b>	Step 1 Develop RFQ.
	Step 2 Post RFQ on City’s website and send e-mail notification to architects/engineers advising them of RFQ.
	Optional Step Hold pre-submission conference to acquaint interested respondents with project specifics and to answer any questions.

## DEFINITION

A professional services agreement in which the City hires an architect or architectural firm to perform a service requiring the practice of designing structures or landscapes.

**C. City Clerk's Office**

Receive responses and forward to Contract Services Section/Public Works.

**D. Contract Services Section/ Public Works**

Step 1	Receive responses and review for completeness.
Step 2	Distribute A& E Statement of Qualifications Evaluation Form, Code of Conduct Statement and responses to RFQ to designated Evaluation Team members.
Step 3	Establish schedule for review of responses to RFQ, and notify Evaluation Team members of due date for rating forms.
Step 4	Send one (1) set of the responses along with ratings forms to Small Business Office (SBO) for scoring of applicable SBEDA points.
Step 5	Collect completed rating forms and prepare overall ratings.
Step 6	Create Request for Quotation in SAP (ME41) and enter evaluations worksheet data into the record.
Step 7	Facilitate A & E Committee meeting to select architectural firm.
Step 8	Conduct interviews with highest rated firms, if necessary.
Step 9	Notify selected architectural firm to contact City Architect's Office to negotiate contract.
Step10	Draft standard contract. Any deviations from standard contract developed by City Attorney's Office requires City Attorney's Office approval.
Step 11	Obtain signatures on three original contracts from architectural firm.
Step 12	Prepare Request for Ordinance in coordination with the City Attorney's Office.
Step 13	Enter contract record into SAP using transaction code ME31K.

**E. Director/ Public Works Dept.**

Review the Request for Ordinance. Recommend revisions or approve the Request for Ordinance as written.

**F. Public Works Dept.**

Schedule ordinance for City Council consideration.

**G. City Council**

Consider ordinance.

**Two-Step Process**

All architectural service contracts must use a "two step" procurement process of first determining the most competent and qualified firm, and then negotiating a fair and reasonable price.

**Complex Architectural Contracts**

When architectural services are particularly complex or of a particularly large dollar amount, the City Attorney's Office should be asked to draft the contract.

**Law on Architecture & Engineering**

Texas Government Code § 2254.004 governs procurement of architectural, landscape architecture, and engineering services by municipal government. [http://www.capitol.state.tx.us/statutes/go/go0225400.html# go005.2254.004](http://www.capitol.state.tx.us/statutes/go/go0225400.html#go005.2254.004)

**Standard Contract**

Standard architecture and engineering contracts are included in this appendix of this manual.

**Policy Directive**

**The evaluation criteria for architecture Request for Qualifications must be consistent.**

**Alternative evaluation criteria must be coordinated by the Contract Services Section of Public Works, as well as the Contract Services Department.**



H. Contract Services Section/  
Public Works Dept.

Step 1	Obtain required insurance certificates and bonds. Submit insurance certificates to Risk Management for review and approval.
Step 2	Prepare Magna Carta Memo and obtain signatures on contracts from Public Works Director and City Manager.
Step 3	Update SAP contract record with ordinance and passage date (ME32K). Print cover sheet and distribute original contracts to City Clerk's Office and architectural firm.
Step 4	Authorize consulting firm to begin work in accordance with contract schedule.

I. Originating Department

Complete Performance Evaluation Form upon conclusion of architectural services (sample), and submit to Public Works Contract Services Section for centralized record keeping.

Architecture Contracts  
and Departments Other  
than Public Works

- The Public Works Department must be consulted and assist in the procurement of architectural or engineering services.
- Other Department Directors may execute contracts for the services of an architect valued at \$25,000 or less without City Council approval provided three (3) conditions are met:

- 1) The contract must be provided for in the budget;
- 2) The procurement must be coordinated through the Public Works Department, Contract Services Section;
- 3)The architect must be selected in accordance with the two-step process, and the department should be able to document the architectural selection and contract negotiation.

Policy Directive

All architectural contracts that have at least one risk assessment criterion characterized as “high” may be subject to a Management Team review. [See Chapter 4, Section 1]

Contact the Contract Services Department for assistance with the Management Team review process.

# Catering Agreements

The following steps apply when a department wishes to establish a contractual relationship with firms to provide catering services on City property.

The originating department starts by first establishing and seeking City Council approval of a Usage Policy that defines the requirements caterers must meet in order to provide service at a specific City facility. To offer variety, the department may enter into catering agreements with multiple firms that meet the Usage Policy requirements. Customers using a City facility then select and work directly with an approved caterer. In the event a department wishes to select an exclusive caterer, the Request for Proposal (RFP) process, described in Chapter 3, should be utilized.

<u>Responsible Party</u>	<u>Process Step</u>
<b>A. Originating Department</b>	Step 1 Identify location(s) where catering will be permitted.
	Step 2 Draft Usage Policy and Catering Agreement, which define requirements to be followed by caterers when servicing City property. Usage Policy may authorize department director to approve, sign, negotiate, and amend Catering Agreements. Contact Contract Services Department and/or City Attorney’s Office for assistance, if necessary. Forward draft document to Contract Services Department, Risk Management Division, and City Attorney’s Office.
<b>B. Contract Services Department</b>	Review draft Usage Policy and Catering Agreement. Provide recommendations to originating department.
<b>C. Risk Management Division</b>	Review draft Usage Policy and Catering Agreement. Provide recommendations to originating department.
<b>D. City Attorney’s Office</b>	Review draft Usage Policy and Catering Agreement. Provide recommendations to originating department.
<b>E. Originating Department</b>	Step 1 Incorporate recommendations and finalize Usage Policy and Catering Agreement.
	Step 2 Enter the information pertaining to the agreement into SAP as a sales quotation (VA21). This entry includes a risk assessment of the proposed agreement. In the event that the proposed agreement is identified as “high risk,” the director of the originating department and the Contract Services Department are notified that the project shall be candidate for additional review by all coordinating departments and if appropriate, additional actions including a Management Team Review.

## DEFINITION

A catering agreement is a type of concession agreement required for City facilities that host public and private events.



Prepare the Usage Policy and Catering Agreement for placement on the City Council Agenda for consideration by completing a Request for Ordinance (RFO) and a Memorandum to City Council describing the agreement. (For assistance, refer to Chapter 6, Section 1, “Preparing a Contract For Council Consideration”).	
F. City Council	Consider Usage Policy and Catering Agreement.
G. Originating Department	If approved by City Council, notify caterers of Usage Policy and invite caterers to sign Catering Agreement and all required attachments.
H. Caterer	Submit signed Catering Agreement with required attachments to department.
I. Originating Department	Review Catering Agreement and attachments for completeness. If incomplete, return to caterer with instructions for correction. If complete, forward to Risk Management and City Attorney’s Office for approval.
J. Risk Management	Review Catering Agreement, attachments and Certificate of Insurance. Provide approval/recommendations to originating department.
K. City Attorney’s Office	Review Catering Agreement and attachments. Provide approval/recommendations to originating department.
L. Originating Department	
Step 1	Director or designee signs Catering Agreement.
Step 2	Notify caterer of approval and provide copy of signed Catering Agreement.
Step 3	Create a contract in SAP (VA41) with reference to the sales quotation.
Step 4	The Revenue Contract Approver reviews contract date for accuracy and enters ordinance and date. Prints cover sheets and submit original contract to City Clerk’s Office for imaging and retention.

Points to Consider

- If caterers are allowed to serve liquor, obtain copy of liquor license and proof of coverage for liquor liability.
- If caterers use servers from a temporary agency, obtain certificate of insurance from the temporary agency and ensure coverage is appropriate and adequate and the City is named as an additional insured.
- If a new or unfamiliar caterer applies to provide services, check his/her references.

Record Keeping

Maintain a file for each caterer, including food permits, liquor licenses, and Certificates of Insurance. Monitor expiration dates for each. Require caterers to provide new permits, licenses, and certificates as necessary.

# Concession Agreements

Concession agreements permit City property to be used by another party to operate a retail sales business, amusement activity, or service. The City may enter into concession agreements in the form of a license or a lease.

<u>Responsible Party</u>	<u>Process Step</u>
<b>A. Originating Department</b>	
	Step 1 Identify City property to be used for concession. Define the type of concession to be permitted.
	Step 2 Enter the information pertaining to the agreement into SAP as a sales quotation (VA21). The entry of the record to SAP includes a risk assessment of the proposed agreement. In the event that the proposed agreement is identified as “high risk,” the director of the originating department and the Contract Services Department are notified that the project shall be candidate for additional review by all coordinating departments and if appropriate, additional actions including a Management Team Review.
	Step 3 Optional Step. Retain consultant through the use of a professional services contract. For example, the Aviation Dept. hires a consultant to recommend the most advantageous combination of food and merchandise retailers to lease space in the airport. In addition, the consultant serves as the property manager on behalf of the Aviation Dept. Refer to Professional Services Agreement Process Steps.
	Step 4 Identify and establish members of Evaluation Team. Select members familiar with the type of concession or with the property to be used for the concession. Include a representative from the Small Business Office of the Economic Development Dept.
	Step 5 Draft Request for Proposal document and include a draft of the proposed contract. Contact Services Department for assistance, if necessary.
	Step 6 Forward draft Request for Proposal document and proposed contract for review to City Attorney’s Office, Risk Management Division, Contract Services Department, and Economic Development Dept.
	Step 7 Finalize Request for Proposal, incorporating recommendations from City Attorney’s Office, Risk Management Division, Contract Services Department, and Economic Development Dept.
	Step 8 Advertise Request for Proposal.

## DEFINITION

A license or lease agreement in which the City allows another party to use City owned property to operate and/or manage a retail sales business, amusement activity, or service. The concession may be owned by the City and managed by a third party, or the concession rights may be owned by the third party.

<b>B. City Clerk's Office</b>		Receive responses to Request for Proposals. Forward responses to originating department.
<b>C. Originating Department</b>	Step 1	Receive responses and review for completeness. Distribute Code of Conduct Statement and response to RFP to designated Evaluation Team members.
	Step 2	Convene Evaluation Team for evaluation of responses to Request for Proposal. Review and rate proposals. Invite respondents to conduct presentations and submit to interviews, if necessary. Identify the highest scoring respondent and negotiate or formalize terms and conditions. Present to Management Team and/or City Council committee, if appropriate.
<b>D. City Attorney's Office</b>		Finalize draft version of contract with proposal terms from highest scoring respondent.
<b>E. Originating Department</b>	Step 1	Acquire signature from concessionaire on two original contracts.
	Step 2	Prepare the agreement for placement on the City Council agenda for consideration by completing a Request for Ordinance (RFO) and a Memorandum to City Council. For assistance see, "Preparing A Contract For City Council Consideration".
<b>F. City Council</b>		Consider the proposed contract and if approved, authorizes the City Manager or designee to execute the agreement.
<b>G. Originating Department</b>		Draft Magna Carta memo (if applicable) and forward with contract originals to the City Attorney's Office.
<b>H. City Attorney's Office</b>		Sign the contract indicating that it is approved as to form, and forward all originals and Magna Carta memo (if applicable) to the City Manager's Office.
<b>I. City Manager's Office</b>		Sign the approved contract and return all originals to the originating department for distribution.
<b>J. Originating Department</b>	Step 1	Send one signed original of contract to contracting party. Send photocopies to the project manager/coordinator and departmental contracting officer.
	Step 2	Create a contract in SAP (VA41) with reference to the sales quotation.
	Step 3	The Sales Contract Approver reviews contract data for accuracy, and enters the ordinance number and passage date, prints cover sheets and submits original contract to City Clerk's Office for imaging and retention.

## Advertising Concession RFPs

Request for Proposals must be advertised in "minority-targeted media no less than 30 days" before responses are due. Request for Proposals may also be posted to the City's website and provided to the Small Business Office of the Economic Development Dept. for posting on "bid board."

## Point of Sale ("POS") Systems

Many of the City's Concession agreements are revenue contracts, and the fees Concessionaires pay the City are based on a percentage of gross sales. To ensure accountability and compliance with the percentage-based fee to the City, it is highly recommended that originating departments entering into new concession agreements require point-of-sale systems be used by their concessionaires in conducting daily sales and generating monthly and annual revenue reports to the City. To learn more about POS systems, their applications and internal control aspects, please contact the Contract Services Department at 207-2073 or visit one of many websites devoted to POS systems at <http://www.steponesolutions.com/>.

## Contract Retention

The department should not retain an original contract.

### Policy Directive

**Insurance Certificates reflecting contractual insurance requirements as well as any required Bonds (Performance and/or Payment Bonds) must be received prior to the commencement of any work under the contract. To the extent possible, contractors and vendors should be asked to provide insurance certificates and bonds prior to Council consideration.**

# Construction Contracts

Historically, construction contracts have been awarded based on the low qualified bid as outlined in the Chapter 271 of the Local Government Code. Effective September 1, 2001 Senate Bill 510 granted municipalities authorization to use alternative project delivery methods for vertical construction projects. In October 2003, the City Council provided the Director of Public Works with the authority to select the appropriate project delivery method for vertical construction projects: low qualified bid, competitive sealed proposal or design-build methods.

The selection of the appropriate construction delivery method may be based on but not limited to the following items: estimated project cost, construction schedule, complexity of the project, community interest, degree of staff involvement, location/ infrastructure issues and participation of other governments or organizations.

The following processes reflect the procedures to be used for the development of a construction project not being performed by City construction staff. In these processes, necessary design and construction documents are assumed to have been produced and all approvals have been received by advisory boards, the Historic Design and Review Commission and the City Architect’s Office.

In instances when a contract is particularly complex or involves an extraordinary large dollar amount, the City Attorney’s Office should be requested to draft the contract after receiving the business points from the originating department.

Construction Projects under \$50,000: Projects estimated to cost less than \$50,000 are to be routed through the Purchasing Department for procurement. See processes related to construction projects less than \$50,000 for more information.

<u>Responsible Party</u>	<u>Process Step</u>
(Note: Often, an engineering or architectural consulting firm has been employed by the city to develop specifications and assist in the evaluation of construction bids.)	

**A. Managing Department**

Step1	Identify a need for construction contract and verify that the project cannot be performed by City construction staff (i.e., Public Works or Parks and Recreation). Fully define the project with estimated cost for construction.
Step 2	Ensure budgeted funds are available for contract payment and WBS elements have been created.
Step 3	Enter the information pertaining to the agreement into SAP as a requisition. This entry includes a risk assessment of the proposed agreement. In the event that the proposed agreement is identified as “high risk,” the director of the originating department and the Contract Services Department are notified that the project shall be candidate for additional review by all coordinating departments and if appropriate, additional actions including a Management Team Review. Details for this step are outlined in the <a href="#">SAP Day One Guide - Requisitions</a> .
Step 4	Submit request to Public Works, Capital Programs Section, to prepare and advertise Invitation to Bid for construction project (see <a href="#">Appendix II</a> for sample request form).

# DEFINITION

A contract for the alteration, modification, repair, building or erecting of a public work or improvement.

**B. Public Works Department**

Prepare Invitation to Bid and specify where plans/specifications may be purchased, either from the Plans & Records Office or from an outside consultant. Advertise Invitation to Bid in accordance with the Local Government Code, Chapters 252 and 271.

**C. Managing Department**

## OPTIONAL STEP:

Hold pre-bid conference to acquaint interested bidders with project specifics and to answer any questions for bidders.

**D. City Clerk's Office**

Receive and open bids, and forward responses to the Managing Department (see notes on "Managing Department" below).

**E. Managing Department**

## Step 1

Send copies of bid responses to architectural or engineering consultant for review and award recommendation.

## Step 2

Send copies of bid responses to Capital Services Section/Public Works for file.

## Step 3

Send list of apparent low bidder's subcontractors and bid tabulation form to the Small Business Office of Economic Development Dept. (Subcontractors are identified on List of Subcontractors form or Good Faith Effort Plan form, submitted as part of bid).

## OPTIONAL STEP:

Conduct Administrative hearing with contractor when there are concerns regarding ability to perform. All administrative hearings should be coordinated with the Capital Services Section/Public Works.

**F. Public Works Department**

Draft contract and forward to City Attorney's Office for review and approval.

**G. City Attorney's Office**

Review draft contract. Provide recommendations to managing department

**H. Public Works Department**

## Step 1

Incorporate recommendations and finalize contract. Obtain signature on two original contracts from contractor.

## Step 2

Create a contract in SAP with reference to the requisition (ME31K).

## Step 3

Prepare Request for Ordinance (RFO) and City Council memo.

**Pre-Bid Conferences**

All pre-bid conferences should be coordinated with the Public Works Capital Programs Section.

**Bond Funded Projects**

All construction contracts funded with bond and certificate of obligation monies require City Council approval, regardless of value.

**Bond Requirements**

Payment bonds are required on construction contracts greater than \$25,000 and performance bonds are required on construction contracts greater than \$100,000. A payment bond guarantees payment of a contractor's suppliers and subcontractors. A performance bond guarantees completion of the contracted work. Both payment and performance bonds must be written for 100% of the contract value.

**Standard Construction Contracts**

Generally, the standard construction contract contained in this manual ([Appendix B](#)) should be used for construction projects. When a project is particularly complex or involves a large dollar amount, the City Attorney's Office should be requested to draft the contract.

**Managing Department**

For construction contracts, the term "Managing Department" is used to refer to one of two departments who manage their own construction projects, though coordinate these through the Department of Public Works: The Departments Parks & Recreation, Neighborhood Action, and to some extent Aviation.



<b>I. City Council</b>		Consider ordinance.
<hr/>		
<b>J. Managing Department</b>		
	Step 1	Obtain bonds and insurance certificate from contractor.
	Step 2	Submit insurance certificate to Risk Management Division for review.
<hr/>		
<b>K. Risk Management</b>		Review insurance certificate and advise Managing Department of its acceptability or its deficiencies.
<hr/>		
<b>L. Managing Department</b>		
	Step 1	Forward contracts and attachments to Department Director for review and approval.
	Step 2	Forward to City Manager's Office for signature.
<hr/>		
<b>M. City Manager's Office</b>		Review contract and attachments, indicating approval with signature on contract. Forward to City Clerk's Office.
<hr/>		
<b>N. City Clerk's Office</b>		Attest signatures and forward back to Managing Department.
<hr/>		
<b>O. Managing Department</b>		
	Step 1	Distribute photocopies of contract and attachments to contractor, engineering consultant, and Capital Programs Section, Public Works Department.
	Step 2	Retain photocopies of contract and attachments in dept. file.
	Step 3	Update SAP contract record with ordinance and passage date (ME32K). Print cover sheet and distribute original contracts to City Clerk's Office and architectural firm.
	Step 4	Authorize firm to begin work in accordance with contract schedule.

**Field Alterations**

Originating/Managing departments may approve field alterations as long as the amount is within the available contingency amount and/or is \$25,000 or less.

**Policy Directive**

**In general, all contracts should be signed by the contractor or vendor prior to City Council consideration.**

**If contract cannot be signed prior to City Council consideration, obtain approval from the Contract Services Department prior to taking the contract to City Council. Attach contract in substantially final form to ordinance and include "sunset provision" within the ordinance – that shall not exceed sixty (60) days – identifying time period in which to finalize minor details.**

**Policy Directive**

**Insurance Certificates reflecting contractual insurance requirements as well as any required Bonds (Performance and/or Payment Bonds) must be received prior to the commencement of any work under the contract. To the extent possible, contractors and vendors should be asked to provide insurance certificates and bonds prior to Council consideration.**

## **Construction: Competitive Sealed Proposals**

(Note: The Originating/Managing department must coordinate the project with the Director of Public Works to determine the appropriate project delivery method prior to hiring an independent architect or engineer to prepare the construction documents. The City must also provide a contract for independent testing, verification and inspection of the finished work required for acceptance of the work by the government entity.)

### **Responsible Party**

### **Process Step**

#### **A. Managing Department**

- |        |   |
|--------|---|
| Step 1 | Identify a need for construction contract and verify that project cannot be performed by City construction staff (i.e., Public Works or Parks and Recreation). Fully define the project with estimated cost for construction.   |
| Step 2 | Enter the information pertaining to the agreement into SAP as a requisition. This entry includes a risk assessment of the proposed agreement. In the event that the proposed agreement is identified as “high risk,” the director of the originating department and the Contract Services Department are notified that the project shall be candidate for additional review by all coordinating departments and if appropriate, additional actions including a Management Team Review. Details for this step are outlined in the <a href="#">SAP Day One Guide - Requisitions</a> . |
| Step 3 | Submit request to Public Works, Capital Programs Section, to prepare and advertise Competitive Sealed Proposal for construction project (see <a href="#">Appendix II</a> for sample request form).  |

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#### **B. Public Works Department**

- |        |  |
|--------|--|
| Step 1 | Draft Request for Competitive Sealed Proposals (CSP) which includes construction documents and specifies selection criteria, relative weight of selection criteria, estimated budget, project scope, schedule, etc. Attach copy of proposed construction contract. |
| Step 2 | Send copies of draft CSP to Risk Management, City Attorney’s Office, and Economic Development Department’s Small Business Office for review.   |

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#### **C. Risk Management**

Review draft CSP to ensure appropriate insurance coverage limits are included based upon scope of services. Return to Capital Programs with recommendations.

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#### **D. City Attorney’s Office**

Review draft CSP for form, content, appropriateness, and correct application of the law. Return to Capital Programs with applicable revisions and recommendations.

<b>E. Small Business Office/ Economic Development</b>	Review draft CSP for form, content, and appropriateness. Return to Capital Programs with applicable ecommendations.
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<b>F. Public Works Department</b>	
Step 1	Receive recommendations/revisions and incorporate into CSP.
Step 2	Establish Evaluation Team with a minimum of five (5) members to review and rate responses to the CSP. Include persons familiar with the project and persons experienced in similar projects, as well as a representative from the Small Business Office of the Economic Development Department.
Step 3	Finalize CSP and clearly identify the evaluation criteria and relative importance (weighting). Evaluation criteria must include 20% consideration for SBEDA requirements, based on a 100 point scale.
Step 4	Advertise CSP.
Optional Step	Hold pre-submission conference to acquaint interested respondents with project specifics and to answer any questions.

<b>G. City Clerk’s Office and Public Works Dept.</b>	Receive and publicly read aloud the names of the offerors and, if any are required to be stated, all prices stated in each proposal.
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<b>H. Public Works Department</b>	
Step 1	Check to confirm that each respondent has included all required information. Distribute responses and scoring matrix to designated evaluation team members and Small Business Office for review and scoring.
Step 2	Establish schedule for review of responses and notify Evaluation Team members of due date for rating forms.

<b>I. Small Business Office</b>	Assign SBEDA points as applicable and return annotated scoring matrix to Capital Programs.
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<b>J. Public Works Department</b>	
Step 1	Convene evaluation team for evaluation of responses to CSP using scoring matrix. Add SBEDA points upon completion of team review and evaluation.
Optional Step	
Step 2	Conduct interviews with highest rated firm(s).

**FINANCIAL REVIEWERS**

Representatives from Finance Department or Public Works Fiscal Services Section should review financial information, if requested and submitted in the solicitation process.



**J. Public Works Department**

- Step 2 Identify respondent’s proposal offering the best value to the City and forward recommendation to Director of Public Works for review and approval. Finalize contract terms and price, negotiating as necessary.
- Step 3 Draft standard contract and forward to City Attorney’s Office.

**K. City Attorney’s Office** Review draft contract. Provide recommendations to Capital Programs.

**L. Public Works Department**

- Step 1 Incorporate recommendations from CAO and finalize contract.
- Step 2 Prepare two duplicate contracts.
- Step 3 Obtain signatures from the selected respondent on duplicate contracts.
- Step 4 Create a contract in SAP with reference to the requisition (ME31K).
- Step 5 Prepare Request for Ordinance (RFO) and City Council Memo. Include Summary Evaluation worksheet with RFO.

**M. City Council** Consider ordinance. If approved, authorize the City Manager or designee to execute the contract.

**N. Public Works Department**

- Step 1 Obtain bonds and insurance certificate from respondent.
- Step 2 Submit insurance certificate to Risk Management for review.

**P. Risk Management** Review insurance certificate and advise Capital Programs of its acceptability or deficiencies.

**Q. Originating Department**

- Step 1 Forward contracts and attachments to Department Director for review and approval.
- Step 2 Forward contracts to City Attorney’s Office.

**R. City Attorney’s Office**

- Step 1 Sign duplicate contracts indicating approval as to form
- Step 2 Forward to City Manager’s Office for signature.

<b>S. City Manager’s Office</b>		Review contracts and attachments, indicating approval with signature on contracts. Forward to City Clerk’s Office.
<b>T. City Clerk’s Office</b>		Attest signatures and forward remaining signed original contract to Capital Programs.
<b>U. Originating Department</b>		
	Step 1	Send signed original contract to contracting party. Distribute photocopies of contract and attachments to engineering consultant, and Capital Programs Section, Public Works Department.
	Step 2	Retain photocopies of contract and attachments in department file.
	Step 3	Update SAP contract record with ordinance and passage date (ME32K). Print cover sheet and distribute original contracts to City Clerk’s Office and selected firm.
	Step 4	Authorize consulting firm to begin work in accordance with contract schedule.

Construction: Design Build Process

The City awards a single contract to a firm who both designs and constructs the facility. Both the architect and contractor are selected jointly as one team through a two-step procurement process. The City must also designate an independent architect or engineer to act as its representative for the duration of work on the facility.

(Note: The Originating Department must coordinate the project with the Director of Public Works and the Capital Programs Division to determine the appropriate project delivery method prior to hiring an independent architect or engineer to prepare a design criteria package. The City must also provide a contract for independent testing, verification and inspection of the finished work required for acceptance of the work by the City.)

<u>Responsible Party</u>	<u>Process Step</u>
A. Originating Department	Step 1 Identifies a need for a vertical public improvement, ensures budgeted funds are available, and confers with the Director of Public Works to confirm use of the Design-Build project delivery method.
	Step 2 Enter the information pertaining to the agreement into SAP as a requisition, This entry includes a risk assessment of the proposed agreement. In the event that the proposed agreement is identified as "high risk," the director of the originating department and the Contract Services Department are notified that the project shall be candidate for additional review by all coordinating departments and if appropriate, additional actions including a Management Team Review. Details for this step are outlined in the <a href="#">SAP Day One Guide - Requisitions</a> .
<hr/>	
B. Capital Programs Section/ Public Works Department	Step 1 Determines if Design Criteria package will be prepared in-house or by outside Architect or Engineer. Selection of outside Architect or Engineer shall be in accordance with established guidelines contained in Chapter 4, Sections 2 and 7 of this manual.
	Step 2 Prepare a Request for Qualifications to select Design-Build firm which includes design criteria package, site information, project scope, budget, special systems and selection criteria. May not consider cost-or price related evaluation factors in this phase.
	Step 3 Select evaluation team with a minimum of five (5) individuals.
	Step 4 Advertise RFQ.

FINANCIAL REVIEWERS

Representatives from Finance Department or Public Works Fiscal Services Section should review financial information, if requested and submitted in the solicitation process.

**B. Public Works Department**

OPTIONAL STEP Hold pre-submission conference to acquaint interested Design-Build firms with project specifics and to answer any questions.

**C. City Clerk's Office**

Receive responses to RFQ and forward to Capital Programs.

**D. Public Works Department**

Distribute responses and scoring matrices to designated evaluation team members, Small Business Office and consultant, if required, along with schedule for review and evaluation of responses.

**E. Small Business Office**

Assign SBEDA points as applicable and return annotated scoring matrix to Capital Programs Section.

**F. Public Works Department**

Step 1

Convene evaluation team for evaluation and ranking of responses to RFQ. Add SBEDA points upon completion of team review and evaluation. Evaluation team establishes a short-list of not more than five Design-Build firms.

Step 2

Schedule meeting with Director of Public Works for review and approval of short-listed Design-Build firms.

Step 3

Upon approval from Director of Public Works, request additional information from short-listed firms which may include, but is not limited to, demonstrated competence and qualifications, safety considerations and long-term durability of project, ability to meet schedules, costing methodology or other factors as appropriate.

OPTIONAL STEP

Receive responses to request for additional information from short-listed firms.

Step 4

Convene evaluation team to rank proposals submitted by short-listed firms.

Step 5

Conduct interviews with short-listed Design-Build firms.

Step 6

Select Design-Build firm whose proposal offers the best value to the City based upon published selection criteria and on its ranking evaluations.

Step 7

Schedule meeting with Director of Public Works for review and approval of selected Design-Build firm.

**F. Public Works Department**

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|--------|--|
| Step 8 | Negotiate final terms and conditions with selected Design-Build firm. City must obtain a fixed price proposal from selected firm and incorporate into the contract.                          |
|        | <br>NOTE: If the contract is for design services only at this time, the following steps must be repeated once the guaranteed maximum price for the design-build project has been determined. |
| Step 9 | Submit draft design-build contract to City Attorney's Office and Risk Management for review.   |

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**G. City Attorney's Office**

Review draft contract. Provide recommendations to Capital Programs.

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**H. Risk Management**

Review draft contract. Provide recommendations to Capital Programs.

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**I. Public Works Department**

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|--------|--|
| Step 1 | Incorporate recommendations from CAO and Risk Management and finalize contract.  |
| Step 2 | Prepare two duplicate contracts.   |
| Step 3 | Create a contract in SAP with reference to the requisition (ME31K).  |
| Step 4 | Obtain signatures from selected Design-Build firm on duplicate contracts.  |
| Step 5 | Prepare Request for Ordinance (RFO) and City Council Memo. Coordinate RFO with City Attorney's Office and obtain Public Works Director's approval. |

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**J. City Council**

Consider ordinance. If approved, authorize the City Manager or designee to execute the contract.

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**K. Public Works Department**

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|--------|---|
| Step 1 | Obtain bonds and insurance certificate from selected firm.  |
| Step 2 | Submit insurance certificate to Risk Management for review. |

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**L. Risk Management**

Review insurance certificate and advise Public Works of its acceptability or deficiencies.

**M. Public Works Department**

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| Step 1 | Forward contract and attachments to Director of Public Works for review and approval. |
| Step 2 | Forward to City Attorney's Office.  |

**N. City Attorney's Office**

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|--------|--|
| Step 1 | Sign duplicate contracts indicating approval as to form. |
| Step 2 | Forward to City Manager's Office for signature.          |

**O. City Manager's Office**

Review contract and attachments, indicating approval with signature on contracts. Forward to City Clerk's Office.

**P. City Clerk's Office**

Attest signatures and forward contract and attachments to Capital Programs Section/Public Works Department.

**Q. Public Works Department**

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|--------|---|
| Step 1 | Send signed original contract to selected firm. Distribute photocopies of contract and attachments to architectural/engineering consultant, and originating department. |
| Step 2 | Retain photocopies of contract and attachments in department file.  |

**R. Originating Department**

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|--------|--|
| Step 1 | Update SAP contract record with ordinance and passage date (ME32K). Print cover sheet and distribute original contract to City Clerk's Office and selected firm. |
| Step 2 | Authorize consulting firm to begin work in accordance with contract schedule.  |



# Economic Development Contracts

The City of San Antonio has a number of programs designed to stimulate job creation and promote the expansion and diversification of San Antonio's economic base. By offering incentives and benefits these programs promote business expansion, and development projects that support desired industries and community revitalization initiatives.

## **Tax Abatement**

Tax Abatement (also known as Tax Phase-In) incentives may be offered to businesses in targeted industries based on job creation, investment, and wages paid to employees. The City is pro-business and offers an attractive incentive program for retaining and recruiting businesses. Revised Tax Phase-In Guidelines were approved in March 2001.

## **Tax Increment Financing**

Tax Increment Financing is a tool, governed by the TIF Act, found in Chapter 311 of the Texas Tax Code, that local governments can use to publicly finance needed residential and commercial public improvements and enhanced infrastructure within a defined area, called a Tax Increment Reinvestment Zone (TIRZ). To be designated as a TIRZ, areas must be economically distressed, unproductive, underdeveloped, or blighted, and impair the City's growth because of those factors.

## **Industrial Development Bonds**

The City of San Antonio has created non-profit corporations and authorities for the purpose of issuing tax-exempt program bonds to encourage certain types of development. The Industrial Development Authority (IDA) can issue qualified tax-exempt bonds to acquire land and create manufacturing facilities that have a development cost under \$10 million. The Health Facilities Development Corporation (HFDC) can issue tax-exempt bonds for non-profit organizations towards the development of health care facilities. The Education Facilities Corporation (EFC) may issue tax-exempt bonds for capital improvements at non-profit institutions of higher education, as well as non-public or state-authorized charter schools providing primary and/or secondary education services.

## **Foreign Trade Zone**

The Foreign Trade Zone program helps to distribute goods and services around the world in one of ten existing general trade zones. This access to global markets increases visibility and maximizes market share.

## **Freeport Exemption**

Freeport property includes various types of goods that are detained in the City for a short period of time, and for a limited purpose, such as storage of factory products. This exemption was enacted to attract warehouse and distribution center facilities by offering a special property tax exemption for goods typically handled.

# Engineering Service Contracts

All engineering service contracts must use a “two-step” procurement process of first determining the most competent and qualified firm, and then negotiating a fair and reasonable price.

The following steps apply to engineering service contracts greater than \$25,000 or funded by bonds or certificates of obligation.

Engineering service contracts less than \$25,000 in value and not bond funded, may utilize the following steps, if desired; however, City Council approval, application of SBEDA scoring criteria, and advertising the requirement are not mandatory. Alternate methods of determining a firm’s competence and qualifications prior to selection and price negotiation include contact by telephone, e-mail, fax, or mail.

<u>Responsible Party</u>	<u>Development Step</u>
<b>A. Originating Department</b>	
Step 1	Identify need to secure engineering services. Submit Request for Service Form to Capital Programs Section/Public Works Dept.
Step 2	Meet with Capital Programs/Public Works Dept. to develop program and cost estimate of project.
Step 3	Obtain/ensure funding for project through budgeting process.
Step 4	Enter the information pertaining to the agreement into SAP as a requisition, This entry includes a risk assessment of the proposed agreement. In the event that the proposed agreement is identified as “high risk,” the director of the originating department and the Contract Services Department are notified that the project shall be candidate for additional review by all coordinating departments and if appropriate, additional actions including a Management Team Review. Details for this step are outlined in the <a href="#">SAP Day One Guide - Requisitions</a> .
Step 5	Develop project description and scope of services.
Step 5	Submit memo ( <a href="#">SAMPLE</a> ) to Capital Programs Section/Public Works Department requesting issuance of Request for Qualifications (RFQ). This step should occur in the fiscal year the funds have been allocated.
<b>B. Public Works Dept.</b>	
Step 1	Develop RFQ.
Step 2	Post RFQ on City’s website and send e-mail notification to architects/engineers advising them of RFQ.
Optional Step	Hold pre-submission conference to acquaint interested respondents with project specifics and to answer any questions.

## DEFINITION

A professional services agreement in which the City hires an engineer or engineering firm to perform a service that falls within the scope of the practice of engineering, as defined by state law. This is not a construction contract.

**C. City Clerk's Office**

Receive responses to RFQ and forward to Contract Services Section/Public Works.

**D. Public Works Dept.**

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|---------|--|
| Step 1  | Receive responses and review for completeness.   |
| Step 2  | Distribute A& E Statement of Qualifications Evaluation Form, Code of Conduct Statement and responses to RFQ to designated Evaluation Team members. |
| Step 3  | Establish schedule for review of responses to RFQ, and notify Evaluation Team members of due date for rating forms.                                |
| Step 4  | Send one (1) set of the responses along with ratings forms to Small Business Office (SBO) for scoring of applicable SBEDA points.                  |
| Step 5  | Collect completed rating forms and prepare overall ratings.  |
| Step 6  | Create Request for Quotation in SAP (ME41) and enter evaluations worksheet data into the record.   |
| Step 7  | Facilitate A & E Committee meeting to select engineering firm.   |
| Step 8  | Conduct interviews with highest rated firms, if necessary.   |
| Step 9  | Notify selected engineering firm to contact Public Works to negotiate contract.  |
| Step 10 | Draft standard contract. Any deviations from standard contract developed by City Attorney's Office requires City Attorney's Office approval.       |
| Step 11 | Obtain signatures on two original contracts from engineering firm.   |
| Step 12 | Prepare Request for Ordinance in coordination with the City Attorney's Office.   |
| Step 13 | Enter contract record into SAP using transaction code ME31K.   |

**E. Director/Public Works Dept.**

Review Request for Ordinance. Recommend revisions or approve Request for Ordinance as written.

**F. Public Works Dept.**

Schedule ordinance for City Council consideration.

**G. City Council**

Consider Ordinance.

**Two-Step Process**

All engineering service contracts must use a "two step" procurement process of first determining the most competent and qualified firm, and then negotiating a fair and reasonable price.

**Complex Engineering Contracts**

When engineering services are particularly complex or of a particularly large dollar amount, the City Attorney's Office should be asked to draft the contract.

**Law on Architecture & Engineering**

Texas Government Code § 2254.004 governs procurement of architectural and engineering services by municipal government. <http://www.capitol.state.tx.us/statutes/go/go0225400.html - go005.2254.004>

**Standard Contract**

Standard architecture and engineering contracts are included in this manual, see Appendix B.

**Policy Directive**

**The evaluation criteria for engineering Request for Qualifications must be consistent.**

**Alternative evaluation criteria must be coordinated by the Public Works/Capital Programs Section and the Department of Asset Management/Contract Services Department.**

H. Public Works Dept.	Step 1	Obtain required insurance certificates and bonds. Submit insurance certificates to Risk Management for review and approval.
	Step 2	Prepare Magna Carta Memo and obtain signatures on contracts from Public Works Director and City Manager.
	Step 3	Update SAP contract record with ordinance and passage date (ME32K). Print cover sheet and distribute original contracts to City Clerk's Office and architectural firm.
	Step 4	Authorize consulting firm to begin work in accordance with contract schedule.

I. Originating Department

Complete Performance Evaluation Form upon conclusion of architectural services (sample), and submit to Public Works Contract Services Section for centralized record keeping.

Policy Directive

All engineering contracts that have at least one risk assessment criterion characterized as “high” may be subject to a Management Team review. [See Chapter 4, Section 1]

Contact the Contract Services Department for assistance with the Management Team review process.

Engineering Contracts and Departments other than Public Works

- The Public Works Department must be consulted and assist in the procurement of architectural or engineering services.
- Other Department Directors may execute contracts for the services of an engineer valued at \$25,000 or less without City Council approval provided three (3) conditions are met:
  - The contract must be provided for in the budget;
  - The procurement must be coordinated through the Public Works Department, Capital Programs Section.
  - The engineer must be selected in accordance with the two-step process, and the department should be able to document the engineering selection and contract negotiation.

# Franchise Agreements

The City generally does not solicit or advertise for general public service providers to use its property. Instead, companies interested in using the City right-of-way to provide a “general public service” contact the City. As noted below, the City Attorney’s Office and the Public Utilities Division of the Finance Department are directly involved in the franchise agreement process.

The City Charter does not require franchise agreements for City-owned utilities (San Antonio Water System and City Public Service), and state law prohibits cities from requiring franchise agreements of local telephone providers.

<u>Responsible Party</u>		<u>Process Step</u>
<b>A. Applicant</b>		Contact the Public Utilities Department to use right-of-way in order to provide a public service.
<b>B. Public Utilities Department</b>		
	Step 1	Provide questionnaire to applicant.
	Step 2	Advise City Attorney’s Office of applicant’s request to use right-of-way.
<b>C. Applicant</b>		Complete questionnaire and return to Public Utilities Department.
<b>D. Public Utilities Department</b>		
	Step 1	Meet with the City Attorney’s Office to determine if request is in the public interest. If determined not to be in public interest, advise applicant. If determined to be in public interest, contact other potentially interested departments (i.e., Public Works and Information Technology Services).
	Step 2	Enter the information pertaining to the agreement into SAP as a sales quotation (VA21). The entry of the record to SAP includes a risk assessment of the proposed agreement. In the event that the proposed agreement is identified as “high risk,” the director of the originating department and the Contract Services Department are notified that the project shall be candidate for additional review by all coordinating departments and if appropriate, additional actions including a Management Team Review.
<b>E. City Attorney’s Office</b>		
	Step 1	Provide assistance to Public Utilities Department with negotiating terms of the agreement with applicant.
	Step 2	Draft agreement.

## DEFINITION

An agreement in which the City allows another party to use the City right of way to provide a public service (i.e., cable or broadband communications). The service must be provided City-wide.

F. Public Utilities Department

Step 1	Create a contract in SAP (VA41) with reference to the sales quotation.
Step 2	Prepare the agreement for placement on the City Council agenda for consideration, by completing a Request for Ordinance (RFO) and Memorandum to City Council describing the parameters of the agreement. For assistance, refer to Chapter 6, Section 1, “Preparing a Contract for City Council Consideration.”
Step 3	The item must have 3 public readings before City Council.
Step 4	The 1 <sup>st</sup> and 3 <sup>rd</sup> readings must be at least 30 days apart. The time for the 2 <sup>nd</sup> reading is published in the newspaper.

G. City Council	Vote on the issue at each of the 3 readings. If approved, authorize the City Manager or designee to execute the agreement.
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H. Public Utilities Department	Prepare Magna Carta memorandum.
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I. City Attorney’s Office	Sign the agreement indicating that it is approved as to form, and forward all originals to the City Manager’s Office for signature.
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J. City Manager’s Office	Sign the approved agreement and return all originals to the Finance Department for distribution.
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K. Public Utilities Department

Step 1	Send one signed original of the agreement to the contracting party. Send one signed original to the City Clerk’s Office. Send photocopies to the project manager/ coordinator and departmental contracting officer. <b><u>Departments do not retain original contract documents.</u></b>
Step 2	The agreement does not take effect until 60 days after the 3 <sup>rd</sup> City Council approval.
Step 3	Create a contract in SAP (VA41) with reference to the sales quotation.
Step 4	The Sales Contract Approver reviews contract data for accuracy, and enters the ordinance number and passage date, prints cover sheets and submits original contract to City Clerk’s Office for imaging and retention.

Policy Directive

In general, all contracts should be signed by the contractor or vendor prior to City Council consideration.

If contract cannot be signed prior to City Council consideration, obtain approval from the Contract Services Department prior to taking the contract to City Council. Attach contract in substantially final form to ordinance and include “sunset provision” within the ordinance – that shall not exceed sixty (60) days – identifying time period in which to finalize minor details.

Policy Directive

Any extension or renewal for a contract characterized as “high risk” cannot be extended or renewed administratively. All extensions or renewals for “high risk” contracts must be submitted to City Council for consideration, even if the contract originally provided for administrative renewal/ extension.



# Acceptance of Grant Funds

The following steps should be used when applying for a grant and accepting grant funds. Appropriate departmental authority must be obtained prior to submission of grant applications.

Responsible Party	Process Steps
A. Originating Department	
Step 1	Identify community/City need.
Step 2	Identify an appropriate source of grant funding to address the community/City need. Determine support of need meets department's mission and objectives.
Step 3	Document departmental authority to proceed with application process.
Step 4	Enter the appropriate information into SAP using transaction code VA41 and respond to the four risk assessment questions. In the event that the proposed agreement is identified as "high risk," the director of the originating department and the Contract Services Department are notified that the application shall be a candidate for additional review by all coordinating departments and, if appropriate, additional actions including a Management Team Review.
Step 5	Prepare item to be placed on the City Council agenda, seeking approval for the grant application by completing a Request for Ordinance (RFO) and Memorandum to City Council describing the request. For assistance, refer to Chapter 6, Section 1 - "Preparing A Contract For Council Consideration".
B. City Council	Consider proposed grant application and approve or deny department recommendation to apply.
C. Originating Department	Submit completed grant application according to the guidelines of the funding source, if City Council grants authority to do so.
D. Funding Source	Notify City of award and forward agreement(s) for execution.
E. Originating Department	Forward agreement(s) to City Attorney's Office and Risk Management for review.
F. City Attorney's Office	Review agreement(s) and return with recommendations to originating department.

## DEFINITION

Agreements between the City and another entity wherein the City receives grant funds from the entity and is obligated to perform a service or function in exchange for the grant funds. The City may perform the service or function itself when receiving grant funds. An example would be a grant from the Federal Government to fund a position of family violence prosecutor at Municipal Court.

**G. Risk Management**

Review agreement(s) and return with recommendations to originating department.

**H. Originating Department**

- |        |  |
|--------|--|
| Step 1 | Negotiate changes to agreement with funding source based on recommendations from Risk Management and City Attorney's Office, if necessary.   |
| Step 2 | <p>Create a request for quotation in SAP (ME41) and enter evaluation worksheet data into the record.</p> <p>Prepare an item to be placed on the City Council agenda, seeking approval to accept the grant funds by completing a Request for Ordinance (RFO) and Memorandum to City Council. For assistance, refer to Chapter 6, Section 1 - "Preparing A Contract For City Council Consideration."</p> |
| Step 3 | Create a revenue contract in SAP (VA41) with reference to the sales quotation.   |

**I. City Council**

Consider agreement. If approved, authorize City Manager or designee to execute the agreement.

**J. Originating Department**

Prepare magna carta memorandum.  
Prepare duplicate original agreements.

**K. City Attorney's Office**

Sign the agreements, indicating approval as to form.

**L. City Manager's Office**

Sign the approved agreements.

**M. Originating Department**

- |        |   |
|--------|---|
| Step 1 | The Sales Contract Approver reviews contract data for accuracy, and enters the ordinance number and passage date, prints cover sheets and submits original contract to City Clerk's Office for imaging and retention. |
| Step 2 | <p>Send photocopies of the agreement to the Project Manager/Coordinator and Departmental Contracting Officer.</p>   |

**Perform Service In-House**

If the City will be the provider of the services, the request for ordinance package must also indicate the plan for the provision of services. If the City will not be the provider of the services, refer to "Process Steps for Delegate Agency/Subrecipient Contracts."

**Grant Writer's Handbook**

The Grant Application process is fully discussed in the Grant Writer's Handbook which is available at <http://cosaweb/hr/GrantWriting.pdf>.

**Entitlement Grants**

Entitlement grants do not follow these process steps. See the Grant Writer's Handbook for more information.

**Grants Management**

Grants Management is a process to ensure a project/program operates according to the proposed timeline and plan on which the receipt of grant funds is based. Some key points to remember include:

- In seeking grant funds for your department's proposed project/program, consult the *Federal Register*, which lists availability of grants and their funding cycles and can be accessed on-line at [http://www.gpo.gov/su\\_docs/aces/aces140.html](http://www.gpo.gov/su_docs/aces/aces140.html)
- Upon identifying grant funds that meet your department's goals, prepare a "Request for Ordinance" (RFO) requesting City Council approval for the submission of the grant application. The City Charter (Section 18) requires Council approval prior to any monetary appropriation;
- Prior to receiving grant funds, be sure to develop the auditing and monitoring tools needed by departmental staff in administering the project/program. The Office of Management and Budget (OMB) publishes management policies and guidelines through circulars and common rules. In addition, the City of San Antonio has published a grantsmanship handbook on line at <http://cosaweb/hr/GrantWriting.pdf>.

# Delegate Agency and Subrecipient Grant Contracts

The following steps should be used when selecting a delegate agency or subrecipient to provide services outlined by a grant funding source. Appropriate departmental authority must be obtained to initiate a Request for Proposal (RFP) to provide the function or service defined by the grant.

<u>Responsible Party</u>	<u>Process Steps</u>
<b>A. Originating Department</b>	
	Step 1 Document departmental authority to proceed with development of a Request for Proposals (RFP).
	Step 2 Enter the appropriate requisition into SAP using transaction code ME 51N and respond to the four risk assessment questions. In the event that the proposed agreement is identified as “high risk,” the Director of the originating department, and the Asset Management Contract Services Department are notified that the project shall be a candidate for additional review by all coordinating departments and if appropriate, additional actions including a Management Team Review.
	Note: If the City is to be the provider of the services defined in the grant, refer to “Process Steps for Grant Application and Acceptance of Funds.”
	Step 3 Identify and establish members of Evaluation Team, if the City will not be performing the services defined in the Grant Agreement. Select members familiar with the type of service being requested. Include a representative from the Small Business Office of the Economic Development Dept. Include a subject matter expert familiar with the grant agreement to ensure all grant requirements are satisfied; the subject matter expert may serve in an advisory role as a nonvoting member of the Evaluation Team. Recommend having an uneven number of voting members on the Evaluation Team.
	Step 4 Draft a Request for Proposals (RFP). Contact the Department of Asset Management, Contract Services Department for assistance, if necessary.
	Step 5 Forward draft RFP document for review to the City Attorney’s Office, Risk Management Division, Contract Services Department, and Economic Development Dept.
	Step 6 Finalize RFP ,incorporating recommendations from City Attorney’s Office, Risk Management Dept., Asset Management, and Economic Development Dept.
	Step 7 Advertise RFP.

## DEFINITION

Agreements between the City and another entity, in which the City provides funds to the entity to perform a service or function required by the grant either in its entirety or in part. The City may retain a portion of the grant funds for grant administration purposes.

<b>B. City Clerk's Office</b>		Receive responses to RFP. Forward responses to originating department.
<hr/>		
<b>C. Originating Department</b>		
	Step 1	Convene Evaluation Team for evaluation of responses to RFP. Review and rate proposals. Invite respondents to conduct presentations and submit to interviews, if necessary.
	Step 2	Create a Request for Quotation in SAP (ME41) and enter evaluation worksheet data into the record.
	Step 3	Identify the highest scoring respondent and negotiate or formalize terms and conditions.
		Present to Management Team and/or City Council committee, if appropriate.
<hr/>		
<b>D. City Attorney's Office</b>		Draft contract(s).
<hr/>		
<b>E. Originating Department</b>		
	Step 1	Acquire signature from delegate agency or subrecipient on two original contracts. Do not date the contracts.
	Step 2	Prepare the contract(s) for placement on the City Council agenda by completing a Request for Ordinance (RFO), and a Memorandum to City Council describing the contract(s). For assistance, refer to Chapter 6, Section 1 "Preparing A Contract For City Council Consideration".
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<b>F. City Council</b>		Consider the proposed contract(s) and, if approved, authorize the City Manager or designee to execute the agreement(s).
<hr/>		
<b>G. Originating Department</b>		After City Council approval, prepare Magna Carta memo (if applicable) and forward original contracts to the City Attorney's Office.
<hr/>		
<b>H. City Attorney's Office</b>		Sign the original contracts indicating approval as to form.
<hr/>		
<b>I. Originating Department</b>		Send "Magna Carta Memo" and forward with original contracts to City Manager's Office for signature.
<hr/>		
<b>J. City Manager's Office</b>		Sign original contracts on behalf of the City and return original contracts to originating department for distribution.
<hr/>		
<b>K. Originating Department</b>		
	Step 1	Send one signed original contract to contracting party.
	Step 2	Enter contract record into SAP using coad ME31K w/ordinance number and date. Print cover sheets and submit with one signed original contract to the City Clerk's Office. Send photocopy of contract to Project Manager/Coordinator and departmental Contracting Officer.

## Grants Management

Grants Management is a process to ensure a project/program operates according to the proposed timeline and plan on which the receipt of grant funds is based. Some key points to remember include:

- In seeking grant funds for your department's proposed project/program, consult the *Federal Register*, which lists availability of grants and their funding cycles and can be accessed on-line at [http://www.gpo.gov/su\\_docs/aces/aces140.html](http://www.gpo.gov/su_docs/aces/aces140.html)

- Upon identifying grant funds that meet your department's goals, prepare a "Request for Ordinance" (RFO) requesting City Council approval for the submission of the grant application. The City Charter (Section 18) requires Council approval prior to any monetary appropriation;

- Prior to receiving grant funds, be sure to develop the auditing and monitoring tools needed by departmental staff in administering the project/program. The Office of Management and Budget (OMB) publishes management policies and guidelines through circulars and common rules. In addition, the City of San Antonio has published a grantsmanship handbook on line at <http://cosaweb/hr/GrantWriting.pdf>.

## Avoiding Costly Pitfalls When Using Federal Funds

Will the City be using Federal funds? If so, be aware that the City cannot contract with or make subawards to parties who are suspended or debarred by the Federal government. The prohibition exists even if a principal of the party is suspended or debarred. This rule applies to procurement contracts for goods or services and to all nonprocurement transactions, such as subawards to subrecipients. Contractors and all subrecipients must certify that the organization and its principals are not suspended or debarred. IT IS CITY POLICY that the Contracting Officer verify the certification, by checking the List of Parties Excluded from Federal Procurement and Nonprocurement Programs at <http://epls.arnet.gov/> at the time bids or proposals are received, and again just prior to award. Failure to follow the rules may result in loss of the federal funds, or even suspension or debarment.

# Leases - City Is Landlord

## Prospective Tenants Solicited

In order to acquire tenants for City property, the City may hire a real estate broker or simply post a sign on the premises. When there is a high level of interest in the property to be leased (i.e., Market Square, La Villita, and the Riverwalk), the City may issue a request for proposals as a means to select a tenant. The Department of Asset Management, the City Attorney's Office, and the Economic Development Department assist departments when soliciting Request for Proposals for the lease of City property. All leases, regardless of value, require City Council approval.

<u>Responsible Party</u>	<u>Process Step</u>
<b>A. Originating Department</b>	
	Step 1 Identify City property to be leased.
	Step 2 Enter the information pertaining to the agreement into SAP as a sales quotation (VA21). The entry of the record to SAP includes a risk assessment of the proposed agreement. In the event that the proposed agreement is identified as "high risk," the director of the originating department and the Contract Services Department are notified that the project shall be candidate for additional review by all coordinating departments and if appropriate, additional actions including a Management Team Review.
	Step 3 Confirm availability of space or land, ensuring City ownership and ensuring there are no conflicting agreements in place for the property through a review of departmental records, and an inspection of the property. If there is any question whether the City owns the property, contact Dept. of Asset Management, Property & Lease Division for assistance, if necessary.
	Step 4 Draft Request for Proposal. Contact Dept. of Asset Management, Contract Services Department and City Attorney's Office for assistance, if necessary. (Evaluation criteria must include 20% consideration for SBEDA requirements. Additional evaluation criteria may include financial stability, experience, management plan, price, and responsiveness to proposal. Clearly identify all evaluation criteria within RFP. Recommend evaluation be based on a maximum possible score of 100 points).
<b>B. City Attorney's Office</b>	Draft lease to be attached to Request for Proposal, and review draft Request for Proposal.
<b>C. Contract Services Department</b>	Review draft Request for Proposal and draft lease, and provide recommendations to originating Department.
<b>D. Risk Management Division</b>	Review draft Request for Proposal and draft lease, and provide recommendations to originating Department, particularly regarding insurance and indemnification requirements.

### DEFINITION

A conveyance of an interest in real estate, usually in consideration of rent, for a period of time, giving rise to the relationship of landlord and tenant. The City may be either the landlord or the tenant.



<b>E. Economic Development Dept.</b>		Review draft Request for Proposal and draft lease, and provide recommendations to originating Department, particularly regarding SBEDA requirements.
<hr/>		
<b>F. Originating Department</b>		
	Step 1	Establish an Evaluation Team to review and rate the responses to the Request for Proposal. Include persons familiar with the property to be leased and persons experienced with similar leases, as well as a representative from the Small Business Office of the Economic Development Dept. If required by City ordinance, administrative directive, or department policy, include advisory board/commission members on Evaluation Team. (Recommend having an uneven number of voting members on the Evaluation Team). Meet with Evaluation Team members to review their responsibilities, to ensure no conflict of interest exists, and to sign a Code of Conduct Statement, and to review the proposals.
	Step 2	Finalize Request for Proposal by incorporating recommendations from Asset Management, City Attorney's Office, and Economic Development Dept.
	Step 3	Advertise Request for Proposal. Request for Proposal must be advertised in "minority-targeted media no less than 30 days" before responses are due. Request for Proposal must be provided to the Small Business Office of the Economic Development Dept. for posting on "bid board." Also, Request for Proposal must be posted to the City's Website. Forward the Request for Proposal to Contract Services in order to have it posted to the website.
<hr/>		
<b>G. City Clerk's Office</b>		Receive responses to Request for Proposal. Forward responses to originating department.
<hr/>		
<b>H. Originating Department</b>		
	Step 1	Review proposals to determine compliance with Request for Proposal requirements. Notify City Attorney's Office regarding any litigation disclosed or potential issues related to Discretionary Contract Disclosure. If necessary, seek Risk Management's assistance if assessing compliance with insurance requirements.
	Step 2	Convene Evaluation Team for evaluation of responses to Request for Proposal. If Economic Development Dept. representative unable to attend, send proposals for their review and rating. Collect information and/or conduct interviews with respondents, if necessary. Identify the highest scoring, prospective tenant and forward recommendation to department head for endorsement.
	Step 3	Acquire signature from prospective tenant on two original leases.

## Determining Financial Stability

The following methods may be used to help determine a tenant's, or property owner's, financial stability prior to entering into a lease agreement:

- Obtain credit report on officers or principals;
- Contact Better Business Bureau;
- Search SAP for other City departments doing business with same firm and determine level of performance;
- Request a statement of credit worthiness from firm's bank;
- Require submission of financial statements compiled by a Certified Public Accountant (CPA), if lease value is significant;
- Check if firm is suspended or debarred from doing business with federal government at <http://epls.arnet.gov>.



**H. Originating Department**

- Step 4 Acquire signed Discretionary Contracts Disclosure form from tenant, if not provided as part of proposal.
- Step 5 Prepare the lease for placement on the City Council agenda for its consideration by completing a Request for Ordinance (RFO) and a Memorandum to City Council, including evaluation matrix as attachment. Schedule for City Council. For assistance, refer to Chapter 6, Section 1 “Preparing A Contract For City Council Consideration”.

**I. City Council**

Consider the proposed lease and, if approved, authorize the City Manager or designee to execute agreement.

**J. Originating Department**

Draft Magna Carta memo (if applicable) and forward with original leases and attachments to the City Attorney’s Office.

**K. City Attorney’s Office**

Review and sign original leases, indicating approval as to form, and return to originating department.

**L. Originating Department**

Send Magna Carta memo (if applicable) and original leases to City Manager’s Office for signature.

**M. City Manager’s Office**

Sign original leases and return to originating department for distribution.

**N. Originating Department**

- Step 1 Create a contract in SAP (VA41) with reference to the sales quotation.
- Step 2 The Sales Contract Approver reviews contract data for accuracy, and enters the ordinance number and passage date, prints cover sheets and submits original contract with attachments to City Clerk’s Office for imaging and retention. Send photocopies to the project manger/ coordinator and departmental contracting officer. **The originating department should not retain an original lease.**

**Policy Directive**

**In general, all contracts should be signed by the contractor or vendor prior to City Council consideration.**

**If contract cannot be signed prior to City Council consideration, obtain approval from the Contract Services Department prior to taking the contract to City Council. Attach contract in substantially final form to ordinance and include “sunset provision” within the ordinance – that shall not exceed sixty (60) days – identifying time period in which to finalize minor details.**

**Policy Directive**

**Any extension or renewal for a contract characterized as “high risk” cannot be extended or renewed administratively. All extensions or renewals for “high risk” contracts must be submitted to City Council for consideration, even if the contract originally provided for administrative renewal/ extension.**

# Leases - City Is Landlord

## Contacted by Prospective Tenant

Prospective tenants often contact the City regarding the lease of City property. The City may use a third party when leasing property to tenants, or it may assume this responsibility itself. Both the Department of Asset Management and the City Attorney's Office can provide departments with assistance at different points during the lease process. All leases regardless of value, require City Council approval.

<u>Responsible Party</u>	<u>Process Step</u>
<b>A. Prospective Tenant</b>	Contact City department regarding lease of City property.
<b>B. Originating Department</b>	
Step 1	Confirm availability of space or land, ensuring City ownership and ensuring there are no conflicting agreements in place for the property through a review of departmental records, a search on SAP and an inspection of the property. If there is any question whether the City owns the property, contact Dept. of Asset Management, Administration & Lease Division for assistance, if necessary.
Step 2	Enter the information pertaining to the agreement into SAP as a sales quotation (VA21). The entry of the record to SAP includes a risk assessment of the proposed agreement. In the event that the proposed agreement is identified as "high risk," the director of the originating department and the Contract Services Department are notified that the project shall be candidate for additional review by all coordinating departments and if appropriate, additional actions including a Management Team Review.
Step 3	Assess financial stability and credit worthiness of prospective tenant. Notify Asset Management of potential lease.
<b>C. Asset Management</b>	
Step 1	Assist in determining appropriate rental rate.
Step 2	Assist in determining key business points of lease.
<b>D. Originating Department</b>	Draft lease utilizing standard lease agreement.
<b>E. Risk Management and Asset Management</b>	Review lease. Provide recommendations to originating department.

### Determining Financial Stability

The following methods may be used to help determine a tenant's, or property owner's, financial stability prior to entering into a lease agreement:

- Obtain credit report on officers or principals;
- Contact Better Business Bureau;
- Search SAP for other City departments doing business with same firm and determine level of performance;
- Request a statement of credit worthiness from firm's bank;
- Require submission of financial statements compiled by a Certified Public Accountant (CPA), if lease value is significant;
- Check if firm is suspended or debarred from doing business with federal government (<http://epls.arnet.gov>)

<b>G. City Attorney's Office</b>		Review lease. Provide recommendations to originating department.
<hr/>		
<b>H. Originating Department</b>		
	Step 1	Modify lease based on recommendations, if applicable.
	Step 2	Review lease for accuracy and completeness.
	Step 3	Present lease to oversight committee, if applicable.
	Step 4	Acquire signature from prospective tenant on two original leases.
	Step 5	Acquire signed Discretionary Contracts Disclosure form from tenant.
	Step 6	Prepare the lease for placement on the City Council agenda for its consideration by completing a Request for Ordinance (RFO) and a Memorandum to City Council. For assistance, refer to Chapter 6, Section 1 "Preparing A Contract For City Council Consideration".
<hr/>		
<b>I. City Council</b>		Consider proposed lease and, if approved, authorize City Manager or designee to execute the agreement.
<hr/>		
<b>J. Originating Department</b>		Draft Magna Carta memo (if applicable) and forward with original leases to the City Attorney's Office.
<hr/>		
<b>K. City Attorney's Office</b>		Review and sign original leases, indicating approval as to form, and return to originating department.
<hr/>		
<b>L. Originating Department</b>		Send Magna Carta memo (if applicable) and original leases to City Manager's Office for signature.
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<b>M. City Manager's Office</b>		Sign original leases and return to originating department for distribution.
<hr/>		
<b>N. Originating Department</b>		
	Step 1	Create a contract in SAP (VA41) with reference to the sales quotation.
	Step 2	The Sales Contract Approver reviews contract data for accuracy, and enters the ordinance number and passage date, prints cover sheets and submits original contract with attachments to City Clerk's Office for imaging and retention. Send photocopies to the project manger/coordinator and departmental contracting officer. <b><u>The originating department should not retain an original lease.</u></b>

**Policy Directive**

**In general, all contracts should be signed by the contractor or vendor prior to City Council consideration.**

**If contract cannot be signed prior to City Council consideration, obtain approval from the Contract Services Department prior to taking the contract to City Council. Attach contract in substantially final form to ordinance and include "sunset provision" within the ordinance – that shall not exceed sixty (60) days – identifying time period in which to finalize minor details.**

**Policy Directive**

**Any extension or renewal for a contract characterized as "high risk" cannot be extended or renewed administratively. All extensions or renewals for "high risk" contracts must be submitted to City Council for consideration, even if the contract originally provided for administrative renewal/extension.**

# Leases - City is Tenant

The following steps should be used when the City wishes to lease real property from an external entity.

<u>Responsible Party</u>		<u>Process Step</u>
<b>A. Originating Department</b>		
	Step 1	Identify need for a lease of space. Ensure budgeted funds are available for the expenditure.
	Step 2	Enter the appropriate requisition into SAP using transaction code ME 51N and respond to the four risk assessment questions. In the event that the proposed agreement is identified as “high risk,” the Director of the originating department, and the Asset Management Contract Services Department are notified that the project shall be a candidate for additional review by all coordinating departments and if appropriate, additional actions including a Management Team Review.
	Step 3	Contact Dept. of Asset Management or City Architect’s office for assistance with space utilization/programming to determine size of requirement.
<b>B. Asset Management</b>		
	Step 1	Conduct space search to identify possible lease sites if originating department has not identified a preferred location.
	Step 2	Negotiate terms of lease in conjunction with originating department and City Attorney’s Office.
<b>C. City Attorney’s Office</b>		
		Draft lease and forward to originating department.
		Note: Preferred method is for City to generate lease agreement; however, when property owner will not agree, City Attorney’s Office can review property owner’s lease and identify necessary modifications.
<b>D. Originating Department</b>		
		Forward lease for review to Risk Management and Dept. of Asset Management.
<b>E. Risk Management Division/ Office of Management &amp; Budget</b>		
		Review lease. Provide recommendations to originating department.
<b>F. Asset Management</b>		
		Review lease. Provide recommendations to originating department.

## Compare The Deal

When the City is leasing space from a property owner, be sure to consider more than only the square foot rental rate. A deal at \$1.20 per square foot (psf) may look better than \$1.30 psf, but once you consider additional costs for janitorial services and utilities, the original deal may not be more affordable.

## Obligating The City

Be careful when the City is a tenant to clearly define responsibilities for improvements to space. All improvements to be paid by the City must be approved in advance. Also, leases which require the City to “repair and maintain” the premises could obligate the City to significant, unbudgeted expenses. For example, replacement of an air conditioning unit. Watch out for language such as this when reviewing leases.

**G. Originating Department**

Step 1	Modify lease based on recommendations, if applicable.
Step 2	Review lease for accuracy and completeness.
Step 3	Present lease to oversight committee, if applicable.
Step 4	Acquire property owner signature on two original leases.
Step 5	Acquire signed Discretionary Contracts Disclosure Form from property owner.
Step 6	Create a contract in SAP with reference to the requisition (ME31K).
Step 7	Prepare the lease for placement on the City Council agenda for its consideration by completing a Request for Ordinance (RFO) and a memorandum to City Council. For assistance, refer to Chapter 6, Section 1 “Preparing A Contract For City Council Consideration”.

**H. City Council**

Consider proposed lease and, if approved, authorize City Manager or designee to execute the agreement.

**I. Originating Department**

Draft Magna Carta memo (if applicable) and forward with original leases to the City Attorney’s Office.

**J. City Attorney’s Office**

Review and sign original leases, indicating approval as to form and return to originating department.

**K. Originating Department**

Send Magna Carta memo (if applicable) and original leases to City Manager’s Office for signature.

**L. City Manager’s Office**

Sign original leases and return to originating department for distribution.

**M. Originating Department**

Update SAP contract record with ordinance and passing date (ME32K). Print cover sheet and send one signed original lease to property owner. Send one signed original lease to the City Clerk’s Office with attachments. Send photocopies to the project manager/coordinator and departmental contracting officer. **The originating department should not retain an original lease.**

**Policy Directive**

**In general, all contracts should be signed by the contractor or vendor prior to City Council consideration.**

**If contract cannot be signed prior to City Council consideration, obtain approval from the Contract Services Department prior to taking the contract to City Council. Attach contract in substantially final form to ordinance and include “sunset provision” within the ordinance – that shall not exceed sixty (60) days – identifying time period in which to finalize minor details.**

**Policy Directive**

**Any extension or renewal for a contract characterized as “high risk” cannot be extended or renewed administratively. All extensions or renewals for “high risk” contracts must be submitted to City Council for consideration, even if the contract originally provided for administrative renewal/extension.**

# License - Real Estate Contracts

The following steps are procedures that should be used for the development of a Real Estate License Agreement. It is recommended that you confer with the City Attorney's Office when beginning the process for developing a License Agreement, real estate or otherwise. License Agreements may be initiated through the Parks and Recreation Department or the Department of Asset Management Property Disposition Division.

Responsible Party	Process Steps
A. Petitioner/Potential Licensee	Step 1 Contact the appropriate City of San Antonio department to request issuance of a new license agreement or renewal of an existing license agreement. (City may initiate contact for renewal of license agreements).
	Step 2 Request use of City-owned or City-controlled property by submitting a formal request to the appropriate City department.
	Note: To request a license agreement for the purpose of accessing a Public Right of Way, petitioner/potential licensee must submit a letter that identifies the purpose, location, and nature of the proposed use.
B. Originating Department	
	OPTIONAL STEP: Collect a nonrefundable processing fee payable to City if authorized to do so by ordinance.  <u>Note:</u> The nonrefundable processing fee for each license to use Public Right of Way is five hundred dollars (\$500.00).
	OPTIONAL STEP: Obtain a credit report on petitioner/potential licensee, if applicable or warranted.
Step 1	Notify appropriate City Council member(s) of pending real estate license request. If applicable, City staff canvases internal departments and external agencies for review authorization to proceed. Staff provides informal notice to applicable advisory board or commission.
	OPTIONAL STEP: Canvass internal departments and external agencies.
	OPTIONAL STEP: Provide notice of upcoming real estate license agreement to applicable board or commission.
	OPTIONAL STEP: Notifies petitioner/potential licensee by letter the canvassing process has begun.
	OPTIONAL STEP: Draft letter of agreement for petitioner/potential licensee signature, including business points and sunset provision.

## DEFINITION

An agreement granting permission to use City owned or controlled real property, including the Public Right of Way, in exchange for a fee.



**B. Originating Department**

Step 2	Create a sales quotation in SAP (VA21).
Step 3	Request City Attorney's Office draft appropriate

**C. City Attorney's Office**

Step 1	Prepare license agreement.
OPTIONAL STEP:	Prepare memorandum of license agreement to be recorded at County Clerk Deed and Records Office.

**D. Originating Department**

Step 1	Obtain petitioner/potential licensee signature on two original license agreements and discretionary contract disclosure form.
	Create a contract with reference to the sales quotation (VA41).
OPTIONAL STEP:	Obtain executed and notarized memorandum of license agreement.
Step 2	Present license agreement to applicable board, if any.
Step 3	Prepare the License Agreement for placement on the City Council agenda for its consideration by completing a Request for Ordinance (RFO), and a memorandum to City Council. For assistance, refer to Chapter 6 Section 1, "Preparing a Contract for Council Consideration".
OPTIONAL STEP:	Collect license fee prior to City Council consideration.

**E. City Council**

Consider the proposed license agreement and, if approved, authorize the City Manager or designee to execute the license agreement.

**F. Originating Department**

Step 1	Prepare Magna Carta Memo.
Step 2	Obtain City Attorney signature on license agreements.
Step 3	Forward Magna Carta Memo and license agreements to the City Manager's Office for Signature.

**G. City Manager's Office**

Sign original license agreements and return to originating department for distribution.

**H. Originating Department**

Step 1	File memorandum of license agreement at County Clerk Deed and Records Office.
Step 2	The Sales Contract Approver reviews contract data for accuracy, and enters the ordinance number and passage date, prints cover sheets and submits original contract to City Clerk's Office for imaging and retention.
Step 3	Send one, signed original license agreement to petitioner and photocopies to project manager and departmental contracting officer.
OPTIONAL STEP:	Conduct a customer survey.

**Public Right of Way Defined**

Public right of way is defined as any public street, traffic easement, road lane, path, place, alley, sidewalk, median, boulevard, parkway, or drive, including drainage, whether used by easement or owned in fee by the City, whether improved or unimproved.

**Pipelines**

City staff is authorized to negotiate the license fee for any pipeline in public right of way.

**Real Estate Licenses**

Real estate license agreements are commonly granted for surface, subsurface and air right encroachments in public right of way such as basements, balconies, overhead passageways, tunnels, overhead lines, emergency generators and signs.

**License Agreements: The Law**

Policies regarding license agreements to use public right of way have been incorporated in Article IV, Division 8, Section 29-190 of the City Code.

**Processing Fee**

The \$500 non-refundable processing fee includes the creation of canvassing packet with pictures and maps, the canvassing of the request to all interested City departments, public utilities and agencies, and upon approval, presentation of the request to the Planning Commission and City Council.

**Fiber Optics**

License agreements for the installation of fiber optic conduits in public right of way by telecommunication providers are authorized under a fiber optic license agreement, except when installed by a certificated telecommunications provider (CTP) under Chapter 283 of the Local Government Code, which provides for an access line fee for the use of public right of way.

# License - City Owned Intellectual Property

The following steps are procedures that should be used for the development of an Intellectual Property Agreement. It is recommended that you confer with the City Attorney's Office when contracting for Intellectual Property License Agreements, real estate or otherwise.

<u>Responsible Party</u>	<u>Process Steps</u>
<b>A. Petitioner/Potential Licensee</b>	Contacts the appropriate City Department to request a license for use of a desired Intellectual Property (i.e., photographs, art work, architectural drawings, trademarks, trade dress and other proprietary items).
<b>B. Originating Department</b>	Reviews the request and contacts the City Attorney's office to draft a standard Intellectual Property License Agreement.  Create a sales quotation in SAP (VA21).
<b>C. City Attorney's Office</b>	Prepares the standard Intellectual Property License Agreement and forwards (2) originals to the originating department for review and assists the originating department with negotiations.
<b>D. Petitioner/Potential Licensee</b>	Signs the agreement and returns to the Originating Department.
<b>E. Originating Department</b>	Create a contract in SAP with reference to the sales quotation (VA41)  Prepare the License Agreement for placement on the City Council agenda for its consideration by completing a Request for Ordinance (RFO), and a memorandum to City Council. For assistance, refer to Chapter 6 Section 1, "Preparing a Contract for Council Consideration".
<b>F. City Council</b>	Consider the proposed license agreement and, if approved, authorize the City Manager or designee to execute the license agreement.
<b>G. Originating Department</b>	Prepare Magna Carta Memo.  Obtain City Attorney signature on license agreements.  Forward Magna Carta Memo and license agreements to the City Manager's Office for Signature.
<b>H. City Manager's Office</b>	Sign original license agreements and return to originating department for distribution.
<b>I. Originating Department</b>	The Sales Contract Approver reviews contract data for accuracy, and enters the ordinance number and passage date, prints cover sheets and submits original contract to City Clerk's Office for imaging and retention.  Send one, signed original license agreement to petitioner and photocopies to project manager and departmental contracting officer.

## DEFINITION

An agreement allowing one entity to use the intellectual property of another entity, usually in exchange for a fee. Either the City or the other entity may be the one granting the license.

# One Time Events

The following steps should be used for the development of a One-time Event Agreement. It is necessary to coordinate with the City Attorney's Office and Risk Management when developing contracts for One-Time Events.

## Responsible Party

### A. Originating Department

Step 1	Conduct an on-site visit of the proposed venue. Determine basic requirements (e.g., seating, audio-visual requirements, technical operators, props, security, etc.).
Step 2	Develop a cost estimate to conduct the proposed event. Provide customer with City requirements and line item expenses associated with one-time events that are held in the selected venue.
Step 3	Enter the information pertaining to the agreement into SAP as a sales quotation (VA21). The entry of the record to SAP includes a risk assessment of the proposed agreement. In the event that the proposed agreement is identified as "high risk," the director of the originating department and the Contract Services Department are notified that the project shall be candidate for additional review by all coordinating departments and if appropriate, additional actions including a Management Team Review.
Step 4	Review proposed budget and verify the customer is financially capable to proceed. If this is a first-time customer, it may be necessary to confirm references, and increase deposit fees to minimize the City's risk.

### B. City Attorney's Office

	Draft One-Time Event Agreement, forward to originating department with recommendations.
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### C. Risk Management

	Review agreement, forward to originating department with recommendations.
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### D. Originating Department

Step 1	Negotiate the terms if necessary. Forward the final modifications to the originating department director and the City Attorney's Office.
Step 2	Acquire contracting party's signature on two original contracts, and collect the deposit.
Step 3	Forward the signed originals to the department director or designee for signature on behalf of the City.
Step 4	Create a contract in SAP (VA41) with reference to the sales quotation.
Step 5	The Sales Contract Approver reviews contract data for accuracy, and enters the passage date, prints cover sheets and submits original contract to City Clerk's Office for imaging and retention.

## DEFINITION

An agreement between the City and another party for the use of City property for a special event. This is a type of license.

### New Agreement vs. Facility/Venue Rental Established by Code

Many of the City's entertainment and/or gathering venues have rental fees and usage policies set by ordinance, and several of the applicable departments have standard form agreements for use in executing many different types of "One Time Events." To determine if the "One Time Event" project currently under review is codified, click on the City's municipal code on-line at <http://www.sanantonio.gov/codesrch.asp>. Codified rental and usage fees for City facilities/venues include the departments of:

- Alamodome
- Asset Management – International Conference Center
- Convention Facilities, including Municipal Auditorium
- Library – Meeting and Conference Rooms
- Parks & Recreation – Tourist Facilities, Sunken Garden Theater and Park Pavilions

### For Some Events, Everything Comes Up T.U.L.I.P.s!

The City requires general liability insurance in all of its business contracts, including the rental of City facilities/venues for "One Time Events." Many individuals and/or organizations that seek to hold a fundraising event, art show, etc., work on these events as volunteers and do not hold general liability policies. To minimize risk to City facilities/venues and to make general liability insurance affordable to these users, the City brokers a program entitled **Tenant-Users Liability Insurance Program**. Housed in the Risk Management Division, the program offers daily, weekly and/or monthly general liability insurance coverage a user may purchase for the proposed event. The cost of the insurance coverage is based on the category of event (e.g., flower show or concert) and estimated attendance, and coverage begins the moment the City receives payment for a T.U.L.I.P.!

# On-Call Contracts

## Solicitation Process

Staff should prepare and issue a solicitation for on-call services in accordance with the appropriate procurement methodology identified in Chapter 4 of the Contracting Policy and Process Manual. Both the solicitation and any resultant contract(s) should explicitly state that work will be performed on an as-needed basis and that the execution of a contract does not guarantee the issuance of work orders during the term of the contract.

Typically, on-call services contracts are solicited for a specific period of time, for example an RFP or RFQ is advertised for thirty (30) days, closes and an evaluation team reviews and scores the submissions received by the due date. For some services, it may be in the best interest of the City to utilize an “open ended” solicitation process which allows firms to contract with the City at any time during a specified contract period. This process may be used when the solicitation describes a “minimum established requirement” which firms must meet in order to contract with the City. Examples of this may include contracts for catering and real estate appraisal services.

## Contract Award

The City may elect to award on-call contracts to one or more firms. Staff may recommend the award of multiple contracts when the volume of work anticipated exceeds the capacity of one firm, a firm's expertise is a consideration, or when one firm may not have expertise in all the areas described in the scope of services.

Each firm selected to provide on-call services is required to sign a contract that typically includes a defined contract period, a general scope of services, fee schedule and applicable terms and conditions. These contracts must be approved by City Council if expenditures to any one firm will exceed \$25,000 on an annual basis. Also, the enabling ordinance should contain a “not to exceed” dollar amount either on an annual basis or for the life of the contract.

## Contract Administration

As specific projects are identified during the term of the contract, staff shall contact the firm and negotiate the specific scope of services and compensation, in accordance with the contract terms and fees, to be formalized in a work order to the on-call contract. In the event multiple on-call contracts are awarded, work orders shall be issued to firms on a rotational basis to ensure an equitable distribution of projects. Staff may deviate from the rotational process only if a determination has been made that one firm more closely meets the requirements of the particular project taking into account factors such as the firm's specialization in a particular market or geographic area, personnel and availability. In these instances, staff shall document the rationale for deviating from the rotational process.

Exempted from this process are those on-call concession-type contracts (catering, electrician services) in which the City's customers have the flexibility of contracting with the firm of their choice.

No retainer or other fees shall be paid to firms except for those associated with specific projects. For on-call contracts, funding typically is not committed until a work order is issued against a specific contract for a specific project.

Transactions with on-call contractors should be accurately and properly recorded. Specific information to document should include work orders, performance quality, cumulative dollars spent, work dates and times. In addition, all information regarding any deviation from the rotation procedure of issuing work to contractors must be recorded. All on-call contract monitoring information should be stored in a way that promotes ease of data retrieval and reporting, and can later be readily migrated to the ERM system upon its implementation.

# Definition

On-call contracts are contracts between the City and one or more firms to provide services on an as-needed basis. This type of contract obligates the firm to respond to projects assigned by the City as they arise.

## **When to Utilize:**

On-call contracts may be employed when one or more of the following conditions exist:

- Projects with similar scopes of service occur on a repetitive basis;
- A detailed scope of services cannot be defined in advance for each project;
- Specialized knowledge or skills required on a recurring basis;
- Workload exceeds staff's capacity on a recurring basis;
- A need to respond or complete projects in a timely manner; e.g., “Public Health and Safety” situations.

## **Examples:**

Some examples of current on-call service contracts include Real Estate Appraisal Services, Environmental Consulting, Environmental Remediation and Construction, Construction Materials Testing, Asbestos Consulting, Asbestos Abatement, Architectural Services, Landscape Architectural Services, Electrical Engineering Services and Civil Engineering Services.



# Park Project Services Contracts

## Architectural, Landscape Architectural, & Engineering Services

All architectural, landscape architectural and engineering service contracts must use a “two step” procurement process of first determining the most competent and qualified firm, and then negotiating a fair and reasonable price.

The following steps apply to architectural and engineering service contracts greater than \$25,000 and/or bond funded.

Architectural, landscape architectural and engineering services less than \$25,000 (and non-bond funded), may utilize the following steps, if desired; however, City Council approval, application of SBEDA scoring criteria, and advertising the requirement are not mandatory. Alternate methods of determining a firm’s competence and qualifications prior to selection and price negotiation include contact by telephone, e-mail, fax, or mail.

<u>Responsible Party</u>		<u>Process Steps</u>
<b>A. Park Project Services Office/PARD</b>		
	Step 1	Identify need to secure architectural and/or engineering services.
	Step 2	Obtain funding for project through budgeting process.
	Step 3	Enter the information pertaining to the agreement into SAP as a requisition. Answer the four risk assessment questions.
	Step 4	Develop project description, scope of services, and time schedule.
	Step 5	Submit memo (SAMPLE) to Capital Programs Section/Public Works Department requesting issuance of Request for Qualifications (RFQ). This step should occur in the fiscal year the funds have been allocated.
<b>B. Public Works Department</b>		
	Step 1	Develop RFQ.
	Step 2	Post RFQ on City's website and send e-mail notification to architects/engineers advising them of RFQ.
	Step 3	Receive responses to RFQ and review for completeness.
	Step 4	Forward all complete responses to RFQ to Park Projects Office.
<b>C. Park Project Office</b>		
	Step 1	Distribute rating forms and responses to RFQ to designated Evaluation Team members.
	Step 2	Establish schedule for review of responses to RFQ, and notify Evaluation Team members of due date for rating forms.
	Step 3	Collect completed rating forms and prepare overall ratings.
	Step 4	Conduct interviews with highest rated firms, if necessary.
	Step 5	Send memo with ratings to Public Works Dept., requesting meeting with Public Works Director’s Architectural and Engineering (A & E) Committee for selection of firm.

## DEFINITION

Capital Projects specific to the San Antonio park system, related to newly-acquired parks and improvements/development to existing City parks.

<b>D. Public Works Department</b>		Facilitate A & E Committee meeting to select architectural firm.
<b>E. Park Project Office</b>	Step 1	Attend A&E Committee meeting and present recommended consultant for approval.
	Step 2	Negotiate scope of services, fee, and schedule with architectural and/or engineering firm.
	Step 3	Obtain final negotiated proposal from recommended architectural and/or engineering firm.
	Step 4	Send memo with final proposal to Public Works Department requesting draft contract.
<b>F. Public Works Department</b>		Draft standard contract. Any deviation from standard contract developed by City Attorney's Office requires City Attorney's Office approval.
<b>G. Park Project Office</b>		Review draft contract. Recommend revisions or approve contract as written.
<b>H. Public Works Department</b>		Obtain signature on contract from architectural and/or engineering firm.
<b>I. Park Project Services Office/PARD</b>		Prepare ordinance in coordination with the City Attorney's Office.
		Create a contract in SAP with reference to the requisition (ME31K).
<b>J. Director's Office/PARD</b>	Step 1	Review ordinance. Recommend revisions or approve ordinance as written.
	Step 2	Schedule ordinance for City Council consideration.
<b>K. City Council</b>		Consider ordinance.
<b>L. Public Works Department</b>	Step 1	Obtain insurance certificates and bonds from architecture and/or engineering firm. Submit insurance certificate to Risk Management Division.
	Step 2	Obtain signatures on contract from Public Works Director and City Manager.
	Step 3	Forward copies of contract to Park Project Services Office.
	Step 4	Distribute original contract to City Clerk's Office.
<b>M. Risk Management Division</b>		Review insurance certificate and advise Public Works Department of its acceptability or its deficiencies.
<b>N. Park Project Office</b>	Step 1	Provide copies of executed contract to architecture and/or engineering firm and appropriate staff within PARD.
	Step 2	Authorize architectural and/or engineering firm to begin work in accordance with contract schedule.
	Step 3	Update SAP contract record with ordinance and passage date (ME32K). Print cover sheet and distribute original contracts and attachments to City Clerk's Office.
	Step 4	Complete Performance Evaluation Form upon conclusion of architectural and/or engineering services (sample).

**Policy Directive**

**Any extension or renewal for a contract characterized as "high risk" cannot be extended or renewed administratively. All extensions or renewals for "high risk" contracts must be submitted to City Council for consideration, even if the contract originally provided for administrative renewal/extension.**



# Personal Services Contracts

Personal services are those involving the skills of another particular individual. When contemplating entering into a Personal Services contract, the contracting officer should ask whether (s)he is seeking the unique abilities of the individual in question. The issue to be considered is not whether the services are professional or nonprofessional in nature, but whether the unique abilities of the particular person in question are required.

Personal service contracts are exempt from the competitive bidding requirements stated in the Local Government Code Chapter 252. Personal service contracts are also not subject to the rules governing procurement of professional services stated in the Government Code Chapter 2254. As such, if the contracting officer is contemplating hiring a professional listed in Chapter 2254, (i.e., accounting, architecture, landscape architecture, land surveying, medicine, optometry, professional engineering, real estate appraising, and nursing), (s)he should consider the service to be professional, rather than personal.

Despite the fact that there are no state statues governing selection in personal service contracts, consideration should still be given as to whether conducting a solicitation process would benefit the City. For example, if choosing an artist to paint the Mayor's portrait, a Request for Proposals may provide the opportunity to discover new artists, which artists are interested in the project, and learn their fees and availability.

The same solicitation process used for professional services may be used for personal services. Price may be a factor in the selection of personal services and there are no restrictions on indemnification.

**As a reminder, all contracts that require expenditures of more than \$25,000 must be approved by City Council.**

## DEFINITION

An agreement between the City and another party for a specific person to perform a specific service. A personal service involves the work performed by a particular person rather than a salable product of his skill. Examples include artists, musicians, storytellers, and construction managers.

# Professional Services

The following steps should be used for the development of a professional services contract for projects over \$25,000.00. This section does not apply to land surveyors, architectural, landscape architectural, outside legal services and bond counsel or engineering services contracts; please see Chapter 4 sections 2, 7 and 13 for instructions regarding architectural, landscape architectural and engineering services.

**Reminder:** Professional service vendors must be selected based on demonstrated competence and qualifications at a fair and reasonable price; however, price may be considered in award of the contract. The award of a professional services contract cannot be based on price alone.

Responsible Party	Process Step
A. Originating Department	Step 1 Identify the need to secure professional services. Fully define the scope of services.
	Step 2 Confirm availability of funds with the Office of Management and Budget.
	Step 3 Enter the information pertaining to the agreement into SAP as a requisition. This entry includes a risk assessment of the proposed agreement. In the event that the proposed agreement is identified as “high risk,” the director of the originating department and the Contract Services Department are notified that the project shall be candidate for additional review by all coordinating departments and if appropriate, additional actions including a Management Team Review.
	Step 4 Draft request for proposal/qualifications (RFP/Q). Refer to RFP template for professional services or contact Contract Services Department (CSD) for assistance.
	Step 5 Send copies of the draft RFP/Q to Contract Services Department, Risk Management, City Attorney’s Office and Economic Development Department’s Small Business Office for review.
B. Contract Services Department	Review draft RFP/Q for form, content and appropriateness. Return to originating department with applicable recommendations.
C. Risk Management	Review draft RFP/Q’s to ensure appropriate insurance coverage limits are included based upon scope of services. Return to originating department with recommendations.
D. City Attorney’s Office	Review draft RFP/Q for form, content, appropriateness and correct application of the law. Return to originating department with applicable revisions and recommendations.  Note: If commissioning intellectual property, such as a graphic, photograph, or other proprietary items, attach an Assignment Form granting appropriate rights to the City when product is finished.

# DEFINITION

An agreement between the City and another party to perform a service. The other party meets the definition of a professional contained in Government Code Chapter 2254, or otherwise qualifies as a professional. Generally, a professional service is one in which the labor and skill is predominantly mental or intellectual, rather than physical or manual. Further, professionals are members of disciplines with widely accepted standards of required study or specified attainments in special knowledge, as distinguished from mere skill.

<b>E. Small Business Office/ Economic Development</b>		Review draft RFP/Q for form, content and appropriateness. Return to originating department with applicable recommendations
<hr/>		
<b>F. Originating Department</b>		
	Step 1	Receive recommendations/revisions and incorporate into RFP/Q.
	Step 2	Establish an Evaluation Team to review and rate the responses to the RFP/Q. Include persons familiar with the project and persons experienced with similar projects, as well as a representative from the Small Business Office of the Economic Development Dept. (Recommend having an uneven number of voting members on the Evaluation Team). Meet with Evaluation Team members to review their responsibilities, to ensure no conflict of interest exists, and to sign Code of Conduct Statement.
	Step 3	Finalize RFP/Q and clearly identify the RFP/Q's evaluation criteria. Evaluation criteria must include 20% consideration for SBEDA requirements, based on a 100 point scale. Additional evaluation criteria may include price, financial stability, experience, management plan, and responsiveness to the solicitation.
	Step 4	Advertise RFP/Q. The RFP/Q must be advertised in "minority-targeted media no less than 30 days" before responses are due. RFP/Q may also be posted to the City's website and provided to the Small Business Office of the Economic Development Dept. for posting on "bid board."
	Optional Step	Conduct pre-proposal conference.
<hr/>		
<b>G. City Clerk's Office</b>		Receive responses to solicitation and forward responses to originating department.
<hr/>		
<b>H. Originating Department</b>		Check to confirm that each respondent has included all required information. Notify the Evaluation Team of the date, time and location to meet and evaluate the responses. Prepare a scoring matrix that matches the evaluation criteria contained in the RFP/Q to record the evaluation. Send one (1) set of the responses, along with the scoring matrix, to Economic Development Department, Small Business Office for scoring of applicable SBEDA points.
<hr/>		
<b>I. Small Business Office/ Economic Development</b>		Assign SBEDA points as applicable and return annotated scoring matrix to the originating department.

**Policy Directive**

In general, all contracts should be signed by the contractor or vendor prior to City Council consideration.

If contract cannot be signed prior to City Council consideration, obtain approval from the Contract Services Department prior to taking the contract to City Council. Attach contract in substantially final form to ordinance and include "sunset provision" within the ordinance – that shall not exceed sixty (60) days – identifying time period in which to finalize minor details.

**Policy Directive**

Insurance Certificates reflecting contractual insurance requirements as well as any required Bonds (Performance and/or Payment Bonds) must be received prior to the commencement of any work under the contract. To the extent possible, contractors and vendors should be asked to provide insurance certificates and bonds prior to Council consideration.

**Policy Directive**

Any extension or renewal for a contract characterized as "high risk" cannot be extended or renewed administratively. All extensions or renewals for "high risk" contracts must be submitted to City Council for consideration, even if the contract originally provided for administrative renewal/extension.

J. Originating Department

Step1	Convene evaluation team for evaluation of responses to RFP/Q using the scoring matrix, and add any awarded SBEDA points to each respondent as supplied by the Small Business Office.
Step 2	Collect information and/or conduct interviews with respondents, if necessary.
Step 3	Identify the most qualified respondent(s) and forward recommendation to the department head for endorsement. Finalize contract terms and price, negotiating as necessary. To the extent practicable, engage services of City Attorney's Office to assist in negotiations with respondent(s).
Step 4	Submit respondent's certificate of insurance to Risk Management for review and approval.

K. Risk Management

Review insurance certificate for compliance with coverage limit requirements, and notify department of recommendations.

L. Originating Department

Complete a standard form draft professional services contract. Submit the draft contract to the City Attorney's Office for review.

M. City Attorney's Office

Review draft contract and provide revisions as necessary.

N. Originating Department

Step 1	Prepare two duplicate original contracts.
Step 2	Obtain signatures from the selected service provider on both original contracts.
Step 3	Enter contract record in SAP with reference to the requisition (ME31K)
Step 3	Prepare the contract for placement on the City Council agenda for its consideration by completing a Request for Ordinance (RFO) and a memorandum to City Council.

O. City Council

Consider the proposed contract. If approved, authorize the City Manager or designee to execute the contract.

P. Originating Department

Sign the duplicate original contracts indicating approval as to form. Draft Magna Carta Memo and forward to the City Attorney's Office and City Manager's Office for signature.

Q. City Attorney's Office

Sign contract and return duplicate original contracts to the department.

Professional Services  
Selection Latitude

The originating department has the latitude to select a contractor without competitive solicitation, if the required expenditure is less than \$25,000. The department director is authorized to execute a professional service contract under \$25,000 without City Council approval, so long as it is provided for in the budget and complies with applicable law.

Standard Contract

A standard professional services contract is included in this manual, see Appendix B.

Policy Directive

Departments must maintain consistent evaluation criteria among RFP/Qs for similar requirements. See Appendix C for example. Alternate evaluation criteria must be approved by Contact Services Division prior to advertising the solicitation.

Policy Directive

All contracts that have at least one risk assessment criterion characterized as "high" may be subject to a Management Team review. [See Chapter 4, Section 1] Contact the Contract Services Department for assistance with the Management Team review process.

<b>R. City Manager’s Office</b>		Sign the approved contract on behalf of the City, and return duplicate original contracts to the department.
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<b>S. Originating Department</b>		
Step 1	Update SAP contract record with ordinance and passage date (ME32K). Print cover sheet and distribute original contract and attachments to City Clerk’s Office.	
Step 2	Send one signed original of contract to contracting party. Send photocopies to the project manager/coordinator and departmental contracting officer.	
	<b><u>Departments do not retain original contract documents.</u></b>	

**Complex Professional Services Contracts**

When Professional Services are particularly complex or of a large dollar amount, the City Attorney’s Office should be asked to draft the contract.

**Law on Professional Services Contracts**

Texas Government Code Chapter 2254, Subchapter A governs procurements of certain Professional Services by municipal government.

# Procurement of Goods & Non-Professional Services

“General purchasing procedures” over \$3,000 require a formal or informal solicitation for all materials or non-professional services.

“One Time Purchases” are made when the need for goods or services are satisfied and completed with one transaction. Regular purchase orders are issued and closed after payment is made.

“Annual Contract Purchases” are the purchase of materials, supplies or services which are constantly needed for City operations. The annual contract is a commitment to a supplier for certain goods or services over a period of time at a pre-determined price and the supplier’s commitment to maintain a level of goods and services commensurate with the City’s needs. Contracts are prepared using the informal or formal bid process.

## Purchases for goods and non-professional services up to \$3,000\*

<u>Responsible Party</u>	<u>Process Step</u>
<b>A. Originating Department</b>	
	Step 1 Determine need.
	Step 2 Create a requisition and obtain proper approval.
	Step 3 Obtain quotes (only one quote is required under current City policy; however obtaining multiple quotes is highly recommended).
	Step 4 Create purchase order with reference to the contract.
	Step 5 Release purchase order.
<b>Option 1 - Purchasing Card Used</b>	
	Step 6 Submits both itemized receipt and signed card receipt to department coordinator for processing as per purchasing card guidelines.
	Step 7 Department Coordinator verifies charge, obtains authorization and processes it for payment as per purchasing card guidelines.
<b>Option 2 - Invoiced for Purchase</b>	
	Step 6 Forwards information to the proper staff in their department for processing.

*\*Purchases up to \$100 may be made utilizing Petty Cash procedures*

### Non-Professional Services

Non-professional services are defined as an agreement between the City and another party to perform a service requiring labor or skill that is primarily physical or manual in nature. Some examples of non-professional services include janitorial service, lawn service, microfilming, loading freight or cargo, plumbing, carpentry, painting, and electrical work.

Requirements for non-professional services are procured by the Purchasing Department.

First, individual departments define the required services, then contact the Purchasing Department for assistance in preparing procurement specifications. Subsequently, a purchase requisition is prepared with specifications attached.

The Purchasing Department may establish an annual contract if the non-professional service is anticipated to re-occur throughout the year.

Note: Departments shall assume the authority and responsibility for the procurement of non-professional services less than \$3,000, provided that:

- a. the non-professional service is not related to insurance or high technology;
- b. the non-professional service is not available on an existing annual contract;
- c. the non-professional service is not for the construction, repair, or renovation of a structure, road, highway, or other improvement or addition to real property.



**New Purchases that Cost \$3,000 to \$24,999 Informal Bid for Annual Contract**

<b><u>Responsible Party</u></b>	<b><u>Process Step</u></b>	
<b>A. Originating Department</b>	Step 1	Determines a need.
	Step 2	Creates a purchase requisition with technical specification for the desired procurement. Include estimated annual usage on purchase requisition.
	Step 3	Obtains proper approval.
	Step 4	Forwards memo that includes justification and background information with requisition technical specification to Purchasing Department. If establishing a new contract, purchase requisition is created at this time.
<hr/>		
<b>B. Purchasing</b>	Step 1	Obtains quotes with a minimum of two from a Historically Underutilized Businesses.
	Step 2	Reviews quotes for accuracy and completeness.  Forwards quotes to Originating Department for recommendation.
<hr/>		
<b>C. Originating Department</b>		Completes and forwards a recommendation to Purchasing.
<hr/>		
<b>D. Purchasing</b>		Creates contract.
<hr/>		
<b>E. Originating Department</b>	Step 1	Create a purchase order in SAP with reference to the requisition.
	Step 2	Release purchase order in SAP.

**Purchases \$3,000 to \$24,999 (Informal Bid)**

<b><u>Responsible Party</u></b>	<b><u>Process Step</u></b>	
<b>A. Originating Department</b>	Step 1	Determines a need.
	Step 2	Create a requisition with technical specifications for the desired procurement and obtain proper approval.
	Step 3	Forward to Purchasing Department.
	Step 4	
<hr/>		
<b>B. Purchasing</b>	Step 1	Obtains quotes with a minimum of two from a Historically Underutilized Business.
	Step 2	Reviews quotes for accuracy and completeness.
	Step 3	Forwards to Originating Department for review and recommendation.
	Step 4	Creates a purchase order.
	Step 5	Release purchase order.

**Petty Cash Purchase Procedure**

Purchases costing less than \$100 may be made by the Department Head or authorized representative without competitive bids and without a purchase order, and payment will be made from petty cash.

Purchasing does not process requisitions for items under \$100.00.

**Purchase Orders Using Grant Funds**

When routing a procurement request that is grant funded, make sure that the buyer or contracting officer is aware of any and all bidding or procurement rules established by the grant's funding source.

**New Purchases greater than \$25,000 (Formal Bids & Annual Contracts)**

<b><u>Responsible Party</u></b>		<b><u>Process Step</u></b>
<b>A. Originating Department</b>		
	Step 1	Determines a need.
	Step 2	Creates purchase requisition with technical specifications for the desired procurement. Include estimated annual usage or estimated cost on purchase requisition.
	Step 3	Obtains proper approval.
	Step 4	Forwards memo that includes justification and background information, requisition and technical specifications to Purchasing Department.
<b>B. Purchasing</b>		
	Step 1	Develops bid document using technical specifications and standard contract terms to accurately address the requirements of the purchase.
	Step 2	Advertise and solicit formal bids.
	Step 3	Evaluate bids, create tabulation and forward to Originating Department for review and recommendation.
<b>C. Originating Department</b>		Completes and forwards a recommendation including background information for preparation of City Council request for ordinance memo.
<b>D. Purchasing</b>		
	Step 1	Reviews recommendation. Creates request for ordinance for City Council approval and forwards copies to Finance, Budget and City Attorney's Office.
	Step 2	Following City Council approval and issuance of an ordinance, create purchase order authorizing the purchase.
<b>E. Originating Department</b>		For Annual Contracts, Originating Department creates purchase order from the contract.

Construction projects \$3,000 to \$50,000

Responsible Party		Process Step
A. Originating Department	Step 1	Determines a need.
	Step 2	Creates a technical specification for the desired procurement.
	Step 3	Creates a purchase requisition and obtains proper approvals.
	Step 4	Forwards purchase requisition and technical specifications to Purchasing Department.
	Step 5	Notifies Purchasing if Federal funds are being used on the project.
B. Purchasing (and applicable department, as necessary)	Step 1	Develops bid document using technical specifications and standard contract terms to accurately address the requirements of the purchase, include Prevailing Wage language and attach Determinations for appropriate construction types, include Worker Compensation language and request a Payment Bond for projects with costs greater than or equal to \$20,000.
	Step 2	Solicits informal bids with a minimum of three from Historically Underutilized Enterprises.
	Step 3	Evaluate bids and required documents, award to low bidder and confirm Originating Department's acceptance of low bidder. Ensures that vendor is not on Excluded Parties List for projects using Federal funds.
C. Originating Department		Reviews low-bid and submits memo of acceptance of low bidder. Forwards Memo to Purchasing.
D. Purchasing	Step 1	Confirms receipt of insurance and bond requirements documents.
	Step 2	Creates purchase order authorizing the purchase and forwards copies to Contractor/ Vendor & Originating Department.

Roofing Projects

All roofing repair or construction requests must be routed to the City Architect's Office in Public Works for written approval before submitting a purchase requisition to Purchasing.

Best Value IFB

A best value bid is issued like a normal Invitation for Bid. A best value bid contains evaluation criteria, which may include price and other factors, such as SBEDA criteria, which must constitute 20% of the evaluation criteria - based on a 100 point scale.

Best value bids are only used for procurements of goods and non-professional services over \$25,000.

Contact the Purchasing Department for more information about when a best value bid can be employed.

Bond Funded Projects

All construction contracts funded with bond and certificate of obligation monies require City Council approval, regardless of value.

Bond Requirements

Payment bonds are required on construction contracts greater than \$25,000 and performance bonds are required on construction contracts greater than \$100,000. A payment bond guarantees payment of a contractor's suppliers and subcontractors. A performance bond guarantees completion of the contracted work. Both payment and performance bonds must be written

**Construction projects greater than \$25,000**

<b><u>Responsible Party</u></b>	<b><u>Process Step</u></b>
<b>A. Originating Department</b>	
Step 1	Determines a need.
Step 2	Creates a technical specification for the desired procurement.
Step 3	Creates a purchase requisition and obtains proper approvals.
Step 4	Forwards purchase requisition and technical specifications to Purchasing Department.
Step 5	Notifies Purchasing if Federal funds are used on project.
<b>B.Purchasing (and applicable department, as necessary)</b>	
Step 1	Develops bid document using technical specifications and standard contract terms to accurately address the requirements of the purchase, include Prevailing Wage language and attach Determinations for appropriate construction types, include Worker Compensation language and request a Payment Bond, request Performance Bond for projects with costs greater than or equal to \$100,000, include SBEDA List of Subcontractors for estimated cost greater than or equal to \$25,000 and include SBEDA Good Faith Effort Plan for costs greater than or equal to \$200,000. Requests from Originating Department for Performance Bonds on projects under \$100,00 will be evaluated on a per case basis.
Step 2	Advertises and solicits formal bids.
Step 3	Evaluate bids, and required documentation, create tabulation and forward to Originating Department for review and approval. Ensures that vendor is not on Excluded Parties List for projects using Federal funds.
<b>C. Originating Department</b>	
Step 1	Reviews bids and prepares recommendation, including background information for preparation of City Council request for ordinance memo.
Step 2	Forwards recommendation to Purchasing.
<b>D. Purchasing Department</b>	
Step 1	Reviews recommendation. Creates a request for ordinance for City Council approval and forwards copies to Finance, Office of Management and Budget and City Attorney's Office.
Step 2	Following City Council approval and issuance of an ordinance, creates a purchase order authorizing the purchase.

**High Technology Procurement greater than \$25,000**

<b><u>Responsible Party</u></b>	<b><u>Process Step</u></b>
<b>A. Originating Department</b>	
Step 1	Determines a need that qualifies for a high tech procurement
Step 2	Develops technical specifications, scope of work, and estimated project cost. Develops evaluation criteria.
Step 3	Obtains proper authorizations and submits purchase requisition to Purchasing.
<b>B. Purchasing Department</b>	
Step 1	Develops competitive sealed proposal using technical specifications, scope of work, evaluation criteria, and SBEDA requirements
Step 2	
Step 3	Forwards competitive sealed proposal to City Attorney's Office EDD and Risk Management for review.
Step 4	Advertises and solicits qualified suppliers.
<b>C. Originating Department</b>	
Step 1	Appoints a project manager and organizes a team to evaluate proposals and make award recommendation.
Step 2	Conducts a pre-proposal conference, if required.
Step 3	Evaluates and scores technical and cost proposals according to evaluation criteria.
Step 4	Determines finalists and, if necessary, conducts interviews.
<b>D. Purchasing Department</b>	Requests Best and Final Offers, if applicable.
<b>E. Purchasing Department &amp; Originating Department</b>	Evaluates Best and Final Offers, if applicable.
<b>F. Originating Department</b>	Makes recommendation and forwards to Purchasing for review, including background information for request for ordinance memo.
<b>G. Purchasing Department</b>	
Step 1	Requests City Attorney's Office prepare contract.
Step 2	Obtains vendor's signature on contract.
Step 3	Prepares request for ordinance memo for City Council approval.
Step 4	Following City Council approval and issuance of an ordinance, finalizes contract.

## **Catalog Information Systems Vendor Purchasing Guidelines**

The following suggested guideline was developed as a template of an internal procedure to follow when purchasing Automated Information Systems products or services utilizing the Texas Building and Procurement Center's (TBPC) Catalog Information Systems Vendor (CISV) Listing.

### **CISV Purchases \$3,000 to \$24,999**

#### **Responsible Party**

##### **A. Originating Department**

- | <b><u>Process Step</u></b> |   |
|----------------------------|---|
| Step 1                     | Determines a need that qualifies for a CISV procurement.  |
| Step 2                     | Develop technical specifications, scope of work, and estimated project cost. Clearly and accurately describe the goods/services to be purchased, as well as any special requirements. |
| Step 3                     | Prepare purchase requisition with proper approvals.   |

##### **B. Purchasing Department**

- |        |   |
|--------|---|
| Step 1 | Develop Request for Offer using technical specifications provided.  |
| Step 2 | Identify potential vendors utilizing CISV listing. Whenever possible, select at least 3 CISV vendors to submit RFO's. |
| Step 3 | Contact vendors and provide a written copy of the RFO via mail, e-mail or by website posting.                         |
| Step 4 | After receipt of initial responses, tabulate and return to Originating Department for review and recommendation.      |
| Step 5 | Issue purchase order authorizing the purchase.  |

### **CISV Purchases greater than \$25,000**

##### **A. Originating Department**

- |        |   |
|--------|---|
| Step 1 | Determines a need that qualifies for a CISV procurement.  |
| Step 2 | Develop technical specifications, scope of work, and estimated project cost. Clearly and accurately describe the goods/services to be purchased, as well as any special requirements. |
| Step 3 | Prepare purchase requisition with proper approvals.   |

##### **B. Purchasing Department**

- |        |   |
|--------|---|
| Step 1 | Develop Request for Offer using technical specifications provided.  |
| Step 2 | Identify potential vendors utilizing CISV listing. Whenever possible, select at least 3 CISV vendors to submit RFO's. |
| Step 3 | Contact vendors and provide a written copy of the RFO via mail, e-mail or by website posting.                         |
| Step 4 | After receipt of initial responses, tabulate and return to Originating Department for review and recommendation.      |

##### **C. Originating Department**

Prepare recommendation with background information and return to Purchasing.

##### **D. Purchasing Department**

- |        |  |
|--------|--|
| Step 1 | Reviews recommendation. Creates request for ordinance for City Council approval and forwards copies to Finance, Budget and City Attorney's Office. |
| Step 2 | Following City Council approval and issuance of an ordinance, create purchase order authorizing the purchase.                                      |

## **Purchase Orders Using Grant Funds**

When routing a procurement request that is grant funded, make sure that the buyer or contracting officer is aware of any and all bidding or procurement rules established by the grant's funding source.

### **High Technology, ITSD & Purchasing**

All high technology (computer or telecommunications hardware and software) procurements must be approved through Information Technology Services Department (ITSD) prior to forwarding requisition to Purchasing.

High technology procurements may be made utilizing cooperative purchasing procedures, competitive sealed bids, or competitive sealed proposals as set forth in Chapter 252 of the Texas Local Government Code.

### **Competitive Sealed Proposals**

Requests for competitive sealed proposals made under Chapter 252 of the Texas Local Government Code must solicit quotations and must specify the relative importance of price and other evaluation factors.

### **Policy Directive**

**Any extension or renewal for a contract characterized as "high risk" cannot be extended or renewed administratively. All extensions or renewals for "high risk" contracts must be submitted to City Council for consideration, even if the contract originally provided for administrative renewal/extension.**



State or Other Cooperative Purchasing Procedure

Definition

Local Government Code, Chapter 271, Subchapter F, and Chapter 791 of the Government Code, allow governmental entities to cooperate in a local purchasing program, and to engage in cooperative purchasing with other local governmental entities. Cooperative purchases that comply with these statutes satisfy state laws on competitive bidding.

Cooperative Purchases \$3,000 to \$24,999

Responsible Party	Process Step
A. Originating Department	Step 1 Determines a need.
	Step 2 Completes purchase requisition, technical specifications, and a cost proposal from desired source (if possible).
	Step 3 Obtains proper approval.
	Step 4 Forwards to Purchasing Department with a recommendation to award.
B. Purchasing	Verifies item as being on an existing contract, evaluates proposal and the cost effectiveness of using the contract, and issues a purchase order.

Cooperative Purchases which cost greater than \$25,000

A. Originating Department	Step 1 Completes a memo that includes justification and background information, purchase requisition, technical specifications, and a quotation from desired source (if possible).
	Step 2 Obtains proper approval.
	Step 3 Forwards to Purchasing Department with a recommendation to award.
B. Purchasing	Step 1 Verifies item as being on an existing contract, evaluates the quotation and the cost effectiveness of using the contract.
	Step 2 Creates a request for ordinance for City Council approval and forwards copies to Finance, Budget and City Attorney's Office.
	Step 3 Following City Council approval and issuance of an ordinance, creates a purchase order authorizing the purchase.

A Catalog Information Systems Vendor (CISV)

The State of Texas maintains a listing of specific vendors qualified by the State to provide high technology items. The Purchasing Department can obtain three quotes from CISV vendors in order to meet the competitive bidding requirements.

A purchase from a CISV vendor requiring an expenditure greater than \$25,000 must still be approved by City Council.

The State Department of Information Resources

The State of Texas Department of Information Resources maintains a catalog of contracts with high technology vendors that have pre-negotiated pricing. The City of San Antonio (along with other municipalities) can purchase these catalog items directly through the Department of Information Resources or directly from the vendor.

Cooperative Purchasing and Other Governmental Entities

To engage in cooperative purchasing with another governmental entity, the City must first enter into an Interlocal Agreement with that entity. Interlocal Agreements require City Council approval.

Emergency Purchasing Procedure

Definition

An “emergency” is deemed to exist in the following situations: (a) a public calamity that requires the immediate appropriation of money to relieve the necessity of the municipality’s residents or to preserve the property of the municipality; (b) it is necessary to preserve or protect the public health or safety of the municipality’s residents; or (c) because of unforeseen damages to public machinery, equipment or other property.

Emergency purchases \$3,000 to \$25,000

Responsible Party	Process Step
A. Originating Department	Step 1 Determines a need that falls under the guidelines of emergency purchases as previously listed.
	Step 2 Obtains a minimum of three quotes if possible.
	Step 3 Prepares Certificate of Exemption form (signatures from Originator and Director or Authorized Designee), and purchase requisition with approval.
	Step 4 Forwards to Purchasing.
B. Purchasing	Create purchase order authorizing the purchase.

Emergency purchases which cost greater than \$25,000

A. Originating Department	Step 1 Determines a need that falls under the guidelines of emergency purchases as previously listed.
	Step 2 Obtains a minimum of three quotes if possible. Prepares Certificate of Exemption form (signatures from Originator and Director or Authorized Designee, and City Manager or Designee), purchase requisition with approval, justification memo with background information.
	Step 3 Forwards to Purchasing.
B. Purchasing Department	
	Step 1 Issues purchase order.
	Step 2 Prepares tabulation and request for ordinance memo for City Council ratification and forwards copies to City Attorney’s Office, Management & Budget, and Finance.
	Step 3 Approval by City Council.

Emergency Purchases

An emergency purchase requiring an expenditure greater than \$25,000 still needs City Council approval or ratification.

All emergency purchases exceeding \$25,000 in cost must be approved by City Council and supported by a **Certificate of Exemption** – exempting this procurement from competitive bidding – signed by the originating department’s Director and City Manager or designee.

Sole Source Purchasing Procedure

Definition

A sole source purchase is a procurement of goods and/or services that are available from only one source, including a) items that are available from one source because of patents, copyrights, secret processes, or natural monopolies; b) films, manuscripts, or books; c) electricity, gas, water and other utility services; d) captive replacement parts or components for equipment; e) books, papers and other library materials for a public library that are available only from the persons holding exclusive distribution rights to the materials; and management services provided by a non-profit organization to a municipal museum, park, zoo, or other facility to which the organization has provided significant financial or other benefits.

Sole Source Purchases \$3,000 to \$25,000

Responsible Party	Process Step
A. Originating Department	Step 1
	Determines a need that falls under the guidelines of sole source purchases as previously listed.
	Step 2
	Prepares a purchase requisition and sole source form (signatures include Originator and Director or Authorized Designee), obtains sole source letter from vendor, and coordinates cost proposal with Purchasing.
B. Purchasing	Step 3
	Obtains proper approval.
	Step 4
B. Purchasing	Forwards purchase requisition, sole source form, vendor's sole source letter, cost proposal and terms and conditions to Purchasing.
	Step 1
	Verifies information meets sole source criteria.
B. Purchasing	Step 2
	Forwards proposal and terms and conditions to City Attorney's Office for review.
B. Purchasing	Step 3
	Issues purchase order.

Purchase Orders Using Grant Funds

When routing a procurement request that is grant funded, make sure that the buyer or contracting officer is aware of any and all bidding or procurement rules established by the grant's funding source.

Sole Source Documents

Sample sole source documents are available in Appendix C.

**Sole Source Purchases greater than \$25,000**

<b><u>Responsible Party</u></b>	<b><u>Process Step</u></b>
<b>A. Originating Department</b>	
Step 1	Determines a need that falls under the guidelines of sole source purchases as previously listed.
Step 2	Prepares a memo that includes justification and background information, purchase requisition and sole source form (signatures include Originator and Director or Authorized Designee), obtains sole source letter from vendor, and coordinates cost proposal with Purchasing.
Step 3	Obtains proper approval.
Step 4	Forwards purchase requisition, sole source form, vendor's sole source letter, cost proposal with terms and conditions, and recommendation to Purchasing.
<hr/>	
<b>B. Purchasing Department</b>	
Step 1	Verifies information meets sole source criteria.
Step 2	Forwards proposal and terms and conditions to City Attorney's Office for review.
Step 3	Prepares sole source tabulation and request for ordinance memo for City Council approval and forwards copies to City Attorney's Office, Management & Budget, and Finance.
Step 4	Following City Council approval and issuance of an ordinance, issues a purchase order authorizing the purchase.

## **Best Value Bids greater than \$25,000**

<b><u>Responsible Party</u></b>		<b><u>Process Step</u></b>
<b>A. Originating Department</b>	Step 1	Determines a need.
	Step 2	Prepares memo that includes justification and background information, technical specifications, scope of work, estimated project cost, and evaluation criteria.
	Step 3	Submits purchase requisition with proper approvals.
<hr/>		
<b>B. Purchasing Department</b>	Step 1	Develops bid solicitation document using technical specifications, scope of work, evaluation criteria, and SBEDA requirements, and Good Faith Effort Plan as applicable.
	Step 2	Advertises and solicits qualified suppliers.
<hr/>		
<b>C. Purchasing and Originating Departments</b>	Step 1	Appoints a project manager and organizes a team to evaluate bids and make award recommendation.
	Step 2	Conducts a pre-bid conference, if required.
	Step 3	Evaluates and scores bids according to evaluation criteria.
	Step 4	Determines finalists and, if necessary, conducts interviews.
<hr/>		
<b>D. Originating Department</b>		Makes recommendation and forwards to Purchasing for review, including background information for request for ordinance memo.
<hr/>		
<b>E. Purchasing Department</b>	Step 1	Prepares request for ordinance memo for City Council approval.
	Step 2	Following City Council approval and issuance of an ordinance, issues purchase order.

# Real Estate Appraisal Services Contracts

The Department of Public Works in coordination with the Department of Asset Management issued an Initial Request for Participation (IRFP) to establish an approved list of on-call Real Estate Appraisal Service providers from which all departments will utilize in procuring real estate appraisal services. These firms' appraisers all hold State of Texas real estate appraisal licenses and many hold master certification from the Appraisal Institute. Each firm on the approved list has executed an on-call contract with the City of San Antonio, Department of Public Works and is placed in project-specific categories, such as expertise in condemnation proceedings, multi-parcel projects, commercial, residential, undeveloped properties, etc. The Real Estate Section administers the contracts and ensures the distribution of work to appraisal firms.

When a project requires real estate appraisal services, the certified contracting officer for the initiating department must complete the work order request form (see hyperlink below) and email to Steve Hodges at [SHodges@sanantonio.gov](mailto:SHodges@sanantonio.gov) or fax to 7-4034 to obtain appraisal services. Mr. Hodges will only be responsible for the selection of the appraisal company your department will utilize for your project. While the appraisal services contracts are maintained by the Department of Public Works, initiating departments will be responsible for all future contact with appraisers, negotiate fees, ordinance preparation (when applicable), appraisal review, acceptance of appraisal, and expenses incurred for their projects.

Other information required for the Work Order form includes:

- Project Title and/or Number
- Date the Appraisal Report is Required
- Legal Description of the Property
- Plats and Field Notes
- Owner and Property Address
- Type of Appraisal Form Required for Project
- Check Boxes for Field notes, Surveys, Plats, Pictures, Maps, etc.

Upon receipt of the Work Order, the Real Estate Section will contact the most appropriate appraisal firm, furnishing the initiating department's project information for the appraisal work. Once assigned, the appraisal firm will contact the initiating department's point of contact to negotiate fees and receive any additional requirements such as, field notes, surveys, plats, previous appraisals, etc., to begin the appraisal work.

Once the appraisal report has been received by the initiating department, the firm who performed the work will submit an invoice to the initiating department using the billing information contained on the [Work Order Request form](#).



# Other Contract Types

## Memorandum of Understanding

A Memorandum of Understanding (MOU) is a document used to identify the roles of two or more parties who wish to engage in an informal partnership to accomplish a project. An MOU is used when the parties do **not** wish to be legally bound to the roles that are identified in the document, but are merely willing to perform these roles for a specified period of time, providing it remains feasible to do so. The City Attorney's Office should be asked to review each draft MOU.

When drafting an MOU for City Attorney's Office review, it should contain the following text in its preamble:

WHEREAS, the purpose of the MOU is to articulate the roles *[name of other party]* and the City will perform in connection with *[program, project, etc.]* and is not intended to be a binding agreement;

Except for the above text, the MOU is not to contain the words "contract," "agreement" or "agree" in the document. For example, when articulating the roles of each party, **do not** use language such as, "The City of San Antonio *agrees* to the following..." Instead use language such as, "The City of San Antonio *intends* to..."

Even though an MOU is not a contract, the City Attorney's Office and Risk Management must still review the document before it is signed and implemented.

## Interlocal Agreement

An interlocal agreement is a contract between two or more local governmental entities for the performance of a governmental function or service. These contracts are governed by the Interlocal Cooperation Act found in the Texas Government Code, Chapter 791, which defines local governments, governmental functions and services, and the rules governing such agreements. Since these agreements are between two or more separate legal entities, they are generally enforceable in court, depending upon the principles of sovereign immunity.

## Interdepartmental Agreement

Interdepartmental agreements are cooperative agreements between two or more internal city departments. They are not contracts in the true sense of the word. In order to be a true contract, that is enforceable in a court, the agreement must involve two or more legal entities. The City of San Antonio is a legal entity; that is, it exists as such in the eyes of the law. A city department, however, is only a component of the City, not an entity unto itself. The City may sue a party in a court for breach of a contract. But a city department cannot sue another city department for breach of an interdepartmental agreement, since one cannot sue oneself.

# Contract Extensions & Renewals

Term contracts may only be renewed or extended if provided for in a renewal clause contained in the original contract document. The renewal clause details the conditions under which the contract may be extended, including authority to extend, unilateral or mutual consent, time period of the extension, allowable price adjustments, etc.

The entry of an extension or renewal to a discretionary contract in SAP will initiate a risk assessment, even if the original contract record received a risk assessment. If the contract extension is identified as “high risk”, the extension may be subject to Management Team Review and must be submitted to City Council for consideration.

Multi-year contracts should be reviewed at least annually to determine if the goods or services are still required, if prices are fair and reasonable based on the current market conditions, and if vendor performance is satisfactory.

In the event a contract expires prior to completion of work, and the contract has not been renewed, the department must initiate an ordinance requesting City Council approval to ratify continuance of the existing contract, or execute a new contract covering the period of project completion. No additional funds are to be disbursed until the contract extension is granted.

# Chapter 5

## Contract Administration & Monitoring

### OVERVIEW

The purpose of this chapter is to describe the responsibility, duties, and process steps of contract management.

# Contract Administration

Upon completion of the contract execution phase, the “Contract Administration” phase of the contracting process begins. The most important undertaking during this phase is the constant verification and documentation of vendor or contractor performance.

Contract administration is defined as the activities related to verifying and documenting City and contractor performance to ensure contract deliverables are of the best quality and value to the City and in accordance with the contract terms.

Contract administration is the responsibility of the City Department managing the contract and starts with a well executed contract that is developed with realistic monitoring provisions. These monitoring provisions will serve as the foundation of the administration process.

## Contract Administration Process

The contract administration process should be consistent and handled in an objective manner regardless of the contract type. The areas to be addressed within this process depend on the terms and circumstances of the agreement and may include any of the following areas:

- Contract Administration Planning;
- Post Award Orientation;
- Financial Workflow Process;
- Contract Monitoring;
- Small Business Economic Development Advocacy (SBEDA) Monitoring;
- Problem & Resolution Management;
- Amendments;
- Renewals and Extensions;
- Terminations; and Closeout.

## Contract Administration Duties

The managing City Department should appoint a designee to be responsible for administering each contract – the Contract Delegate (“CD”). The primary responsibilities of the CD are to:

- Ensure the contractual obligations of the contractor and the City are met;
- Ensure the contract is completed on time and on budget;
- Inform Department Management on status of contract;
- Recommend resolutions for any issues that may arise;
- Be the main point of contact between the City and the contractor.

The CD should view the contract as a partnership between the City and the contractor; however, the CD should be objective and ever vigilant of the contractor’s performance. It is important to note that the CD should be responsive to the contractor and available to attend scheduled meetings, inspections, etc.

# Contract Administration Planning

The Contract Administration Planning process provides those responsible for the contract an opportunity to review and understand the key provisions of the contract, as well as anticipate and troubleshoot any potential problems. During the planning process, the CD should take the following steps:

**Step 1 - Set up the contract file. This should include but not be limited to the following, as applicable:**

- Approved Ordinance and Council Memo;
- Solicitation (RFP, RFQ or IFB) with copy of successful response
- Copy of contract and all attachments/exhibits;
- Contract Administration Plan (CAP);
- SBEDA – List of Subcontractors or Good Effort Faith Plan;
- Initial Budget;
- Insurance & Bonding Documents;
- Permits/Certificates;
- SAP contract record information;
- Communications with Contractor (Letters, E-Mails, Phone Call Notes);
- Records of Meetings/Inspections;
- Performance Reports;
- Other important items such as “paper” deliverables;
- Budget Adjustments;
- Invoices/Billing Packages;
- Approved Amendments or Change Orders;
- Renewals or Extensions and authorizing ordinance, if applicable ; and
- Subcontract Documentation.

**Step 2 - Review the contract for any indication of potential challenges with the contract administration and the contract deliverables. It is essential that the CD read the entire contract and its attachments. A thorough understanding of the contract is essential for the CD. This will serve as the basis for the development of an effective contract administration plan. The items to review in this process include:**

- Pre-Award documents/process;
- Past performance of contractor on similar projects, if available;
- Contract, its attachments, and the enabling ordinance.

**Step 3 – The Managing Department should develop a Contract Administration Plan (CAP) (see sample CAP). This is a working document that serves as a tool for administration and monitoring purposes. It should highlight the key provisions of the contract, the monitoring tasks to perform, and the frequency of actions to be taken. At a minimum, the following elements should be provided for in an effective CAP.**

- *Contract Section* – section within the written agreement specifying action, deliverable, or monitoring task;
- *Requirement Type* – specifies contract requirements such as an action, report, invoice, payment, notices, certificates, etc.;
- *Originator of Task* – defines the originator of the item or task, such as the “City” or “Contractor”;
- *Contract Requirement* – paraphrases the intent of the contract provision;
- *Time Line* – defines the time period the contract provision is to be performed (daily, monthly, quarterly, semi-annually, annually, or date specific);
- *Monitoring Tasks* – these are the specific contract monitoring tasks to be performed by the CD as part of the contract administration;
- *Frequency Code* – this is how often the monitoring task is to be performed during the life of the contract (monthly, quarterly, semi-annually, or annually).

# Contract Post Award Orientation

The objective of the Post Award Orientation is to ensure the City and the contractor know each party’s team members and to become familiar with each member’s role. It also serves as an opportunity for the City and the contractor to review all contract requirements and the responsibilities of both parties. Post award orientations should be conducted either in writing or through a scheduled meeting.

Recommended Post Award Formats	
Written Post Award Format	When there are relatively few issues to address; issues are straightforward; and there appears to be limited need for discussion.
Meeting Post Award Format	When there are numerous or complex issues to address; a contractor is new to working with the City, and/or there appears to be a need for discussion.

**For contracts where City Council approval is required,** the Post Award Orientation is recommended to be completed within the 10 day period between City Council approval and the effective date of the enabling ordinance.

**For contracts where City Council approval is not required,** the Post Award Orientation is recommended to be completed prior to the effective date of the contract.

## Written Post Award Format

Should the written post award orientation format be appropriate, include the following items in a written transmittal:

- Identity and roles of the CD and others on the administration team;
- A fully executed copy of the contract, if not previously sent;
- A request of the items to be provided by the contractor prior to commencing work;
- An explanation of the required form for invoices, reports, etc.

In addition, verify the contractor’s receipt of the written transmittal by sending the correspondence by certified, return receipt requested, requesting the contractor to send you an acknowledgement letter, or via e-mail and asking the contractor to send you an acknowledgement letter/e-mail. Place a copy of transmittal and the receipt or acknowledgment in the contract file.

## Meeting Post Award Format

For the post award orientation meeting format, the recommended attendees should include the CD, other contract administration team members, and the contractor. Optional attendees may include representatives from the City Attorney’s Office, City Architect’s Office, Risk Management, Contract Services, and if needed, the previous contractor to discuss transition issues.

During the meeting, have a sign-in sheet and document the discussion by either taking notes or recording the meeting. Discuss and agree on a follow up plan for resolving any open issues that cannot be resolved in the meeting. It is of the utmost importance that the contractor understands that verbal discussions do not change the contract terms.

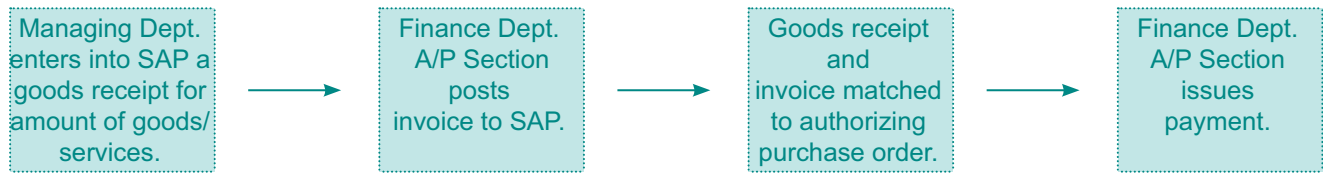
After the meeting, prepare a written record of the meeting that includes the identity of all attendees and a recap of any points or issues discussed. Also include in the written record the issues that were resolved and how they were resolved; plus any assignments and due dates for resolution of open issues. Place a copy of the record in the contract file and send a copy to the contractor.



# Financial Workflow Process

At the outset of a contract, the CD is responsible for working with the Department’s fiscal staff and/or the Finance Department to ensure that all fiscal information is entered into SAP. The CD should manage the project budget according to the contract terms by tracking payments/receipts against budget line items and monitoring rate of spend down to ensure it is commensurate with the progress made or deliverables received.

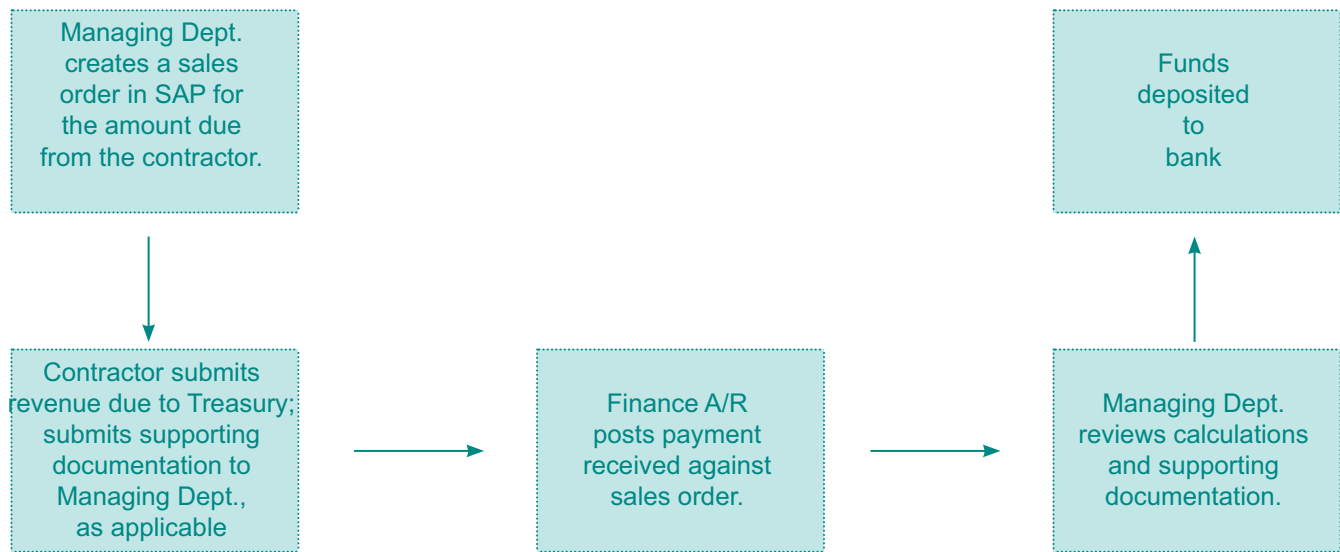
## The Expenditure Contract Payment Process



The CD should understand that the review procedures performed are the most important element within the payment process for expenditure invoices. Once the contractor submits an invoice, the invoice and the supporting documentation should be thoroughly reviewed. As part of the review procedures performed, the CD should ensure the following items are considered:

- Proper forms and documentation are provided ;
- Expenses are eligible based on the approved budget;
- Expenses are reasonable based on project progress and documentation provided;
- Expenses are only billed and paid once; and
- Subcontractor expenses are for approved subcontractors.

## The Revenue Contract Collection Process



The CD is responsible for ensuring the City receives all payments due under the contract, on or before the due dates specified in the contract. The collections generally involve fixed amounts (such as base rent or other static amounts) or variable amounts (such as percentage rent or percentage of monthly sales volumes). As part of the collection process, the CD should understand the most important element in this process is verification procedures. The calculation of variable amounts due to the City should always be reviewed for the calculation method and the verification of the data used from the supporting documentation submitted.

# Contract Monitoring

The primary purpose of contract monitoring is to ensure that the City and contractor are in compliance with contract terms and conditions. Effective monitoring can result in early identification of issues to improve contract performance, thereby ensuring the contract delivers its expected output on time and within budget. All monitoring efforts should be documented, as to the issues, observations, and final outcome. A complete record of all monitoring activities should be maintained in the contract file.

Monitoring methods to be used by the CD will depend on the type of contract. These methods include:

## Administrative Reviews

Administrative reviews are generally completed in an office setting to confirm that the documentation submitted by the contractor accurately reflects the work completed. Typically these reviews evaluate the contractor's compliance with the terms and conditions of the contract. Examples of an administrative review are:

- Reviewing sign-in sheets from an activity that is measured by number of clients served;
- Reviewing quarterly reports to ensure work is progressing as projected;
- Reviewing Contract Administration Plan calendar to ensure payments are received or paid within the contract specifications; or
- Reviewing that the certificates of insurance are current.

## Fiscal Reviews

Fiscal reviews involve evaluations of contractor compliance with the contract fiscal requirements. These reviews verify all expenses submitted for reimbursement and revenues received for payment to City are accurate. This type of review will ensure invoices submitted and payment received are timely, in the specified format, and contain supporting documentation. Examples of fiscal reviews are:

- Reviewing an invoice and comparing the amount expended with the budget, allowed costs, and project progress;
- Reviewing the documentation submitted to support invoiced expenses and to determine if the expenses are reasonable; or
- Completing a reconciliation of gross percentages due to the City on a monthly or quarterly basis.

## On-Site Review

On-site reviews are physical visits to a site where contract activity is occurring. This type of review is generally performed by making observations of goods/services being provided by the contractor; conducting interviews with contractor staff, or possibly conducting interviews with project clients. These reviews should be well planned by the CD and can be done as scheduled or unscheduled visits. Examples of On-Site Visits are:

- Unannounced visit to a site where the contractor is providing services, to evaluate the actual service provided; or
- Announced visit to a site where the contractor is providing services, to evaluate that contract standards are met and observation of the contractor's client satisfaction.

## Inspections

Inspections are physical observations that allow the CD to determine if goods or services quantitatively and qualitatively conform to the contract specifications. This monitoring method must be conducted within the time period specified by the contract terms and in an appropriate manner to formally accept conforming goods/services or reject non-conforming goods/services. If goods or services are found to be non-conforming during the inspection(s), the CD must act in accordance with the contract terms and notify the contractor of the rejection in writing and provide basis for the rejection. Quantitative inspections involve physical counts to confirm contract compliance. Qualitative inspections ensure the delivered goods or services meet or exceed the contract specifications.

# Small Business Economic Development Advocacy (SBEDA)

One goal of Contract Administration is to reduce the number of and resolve contract problems. Vigilant contract monitoring should allow for early detection of potential problems; and in most cases, the earlier a potential problem is detected, the easier it can be resolved. Early detection is typically done through the CD's knowledge and understanding of the contract terms and conditions; and through the use of the CAP to monitor the contract.

Generally, contract problems and resolution matters pertain to either scheduling (i.e. time frames); cost (i.e. payments); and/or quality (i.e. specifications). When possible, the resolution of contract problems should be accomplished by mutual agreement at the Department level to avoid disputes escalating by either party. However, in resolving contract problems, CDs should be careful not to amend or modify contract terms without proper authority.

When corrective action has been identified and discussed with the Department Director, the CD should provide written notice to the contractor regarding the issues that need corrective actions. The elements to be communicated should include:

- The specific problem(s);
- Cites of the specific language in the contract;
- Reasonable cure alternatives; and
- The timeline to accomplish the cure.

Once the issues and possible corrective actions have been communicated, the contractor and CD should agree upon a written Corrective Action Plan. The Corrective Action Plan should be in accordance with the contract terms and contain specific actions to be taken by the contractor and the monitoring procedures the CD will perform.

If an agreed upon Corrective Action Plan cannot be developed, many contracts contain provisions that allow the contractor to cure specific defaults under the contract terms. Any notice to Cure should be issued in consultation with the Department

Responsibility	Type of Action	Ordinance Language
Managing Department	Monitoring	Shall assume primary responsibility for achieving the goals of this program and shall review, on a continuing basis, all aspects of the program's operations to assure that the purpose is being achieved.
Managing Department	Enforcement	Ensure that a notice to proceed is not issued until signed Letters of Intent or executed agreements with the SBEs, MBEs, WBEs, and/or AABEs have been submitted.
Managing Department	Reporting	Ensure that all required statistics and documentation are submitted to the SMALL BUSINESS Program Office as requested.
Managing Department and Sm. Business Prog. Office	Compliance Monitoring	Shall monitor compliance with these requirements during the term of the contract.
Sm. Business Prog. Office	Investigate	Investigating alleged violations of this ordinance and making written recommendations to appropriate authorities for remedial action when appropriate.
Sm. Business Prog. Office	Notification	If it is determined that there is cause to believe that a contractor or subcontractor has failed to comply with any of the requirements of this ordinance, or the contract provisions pertaining to SBE/MBE/WBE/AABE utilization, the Division Manager shall so notify the contracting department and the contractor.
Director -Economic Dev. and Managing Department	Resolution	Shall attempt to resolve the noncompliance with the requirements of this ordinance, or the contract provisions pertaining to SBE/MBE/WBE/AABE utilization, within fifteen (15) calendar days.
Director -Economic Dev. and Managing Department	Reporting	If the noncompliance cannot be resolved within the fifteen (15) calendar days, the Director of Economic Development or designee and the Director of the contracting department shall submit written recommendations to the City Council through the City Manager or designee and if the City Council concurs with the finding, it shall impose such sanctions as stated in this ordinance.
Director -Economic Dev. and Managing Department	Penalties	Once determined that the contractor has failed to comply with any portion of this ordinance, as herein provided and described, shall subject the offending party to any or all of the following penalties: suspension of contract; withholding of funds; rescission of contract based upon a material breach of contract pertaining to SBE, MBE, WBE or AABE utilization; refusal to accept a proposal; disqualification of a bidder, contractor or other business from eligibility for providing goods or services to the City for a period not to exceed two years; and imposition of a fine, applicable to each day not in compliance.

# Problem & Resolution Management

One goal of Contract Administration is to reduce the number of and resolve contract problems. Vigilant contract monitoring should allow for early detection of potential problems; and in most cases, the earlier a potential problem is detected, the easier it can be resolved. Early detection is typically done through the CD's knowledge and understanding of the contract terms and conditions; and through the use of the CAP to monitor the contract.

Generally, contract problems and resolution matters pertain to either scheduling (i.e. time frames); cost (i.e. payments); and/or quality (i.e. specifications). When possible, the resolution of contract problems should be accomplished by mutual agreement at the Department level to avoid disputes escalating by either party. However, in resolving contract problems, CDs should be careful not to amend or modify contract terms without proper authority.

When corrective action has been identified and discussed with the Department Director, the CD should provide written notice to the contractor regarding the issues that need corrective actions. The elements to be communicated should include:

- The specific problem(s);
- Cites of the specific language in the contract;
- Reasonable cure alternatives; and
- The timeline to accomplish the cure.

Once the issues and possible corrective actions have been communicated, the contractor and CD should agree upon a written Corrective Action Plan. The Corrective Action Plan should be in accordance with the contract terms and contain specific actions to be taken by the contractor and the monitoring procedures the CD will perform.

If an agreed upon Corrective Action Plan cannot be developed, many contracts contain provisions that allow the contractor to cure specific defaults under the contract terms. Any notice to Cure should be issued in consultation with the Department Director and City Attorney's Office. In general, this process should be carefully documented to ensure the notice is presented in accordance with the contract terms. The Contractor must then cure the default within a specified timeframe.

Scheduling Issues	Cost Issues	Quality Issues
<p>When due dates for goods/services or deliverables are specified in the contract, the CD should monitor the contract progress and assess the likelihood of due dates being met. If the progress assessment indicates that the due dates will not be met, the CD should:</p> <ul style="list-style-type: none"><li>• Determine if delays are excusable or un-excusable;</li><li>• Ensure that the City has not contributed to the delay; and</li><li>• Work with contractor to determine reasonable options, in accordance with the contract terms</li></ul> <p>Depending on the contract terms, some possible options for resolving schedule problems may include:</p> <ul style="list-style-type: none"><li>• Reschedule due date(s);</li><li>• Withhold payments;</li><li>• Accept late delivery;</li><li>• Assess liquidated damages; and/or</li><li>• If any cure provisions are in the contract, exercise clauses related to providing an opportunity to cure,</li></ul>	<p>As mentioned previously, the CD is responsible for monitoring the contract budget to ensure it is commensurate with the progress made or deliverables received. In this monitoring process, it is necessary that the CD review each expenditure and revenue invoice submitted by and to the contractor, along with the supporting documentation.</p> <p>To avoid possible payment timing problems, the CD should provide the contractor with specific instruction on how to prepare invoices and payments along with the format of the supporting documentation.</p> <p>Once the invoice has been presented to the City, the appropriate level of review and/or inspections should take place as a priority, and the payment should follow the contract terms.</p> <p>Disallowed costs should be explained to the contractor in writing along with guidance on how to prevent future disallowed costs.</p>	<p>Quality issues are related to discrepancies between the expected quality of goods or services to be delivered and the actual goods or services received. Vague contract specifications can lead to quality issues; therefore, when a quality issue arises, the CD should consult with the City Attorney's Office to seek a remedy based on the contract terms. Recommendations for remedies should be reviewed with the Department Director.</p> <p>As part of the contract administration, the CD is responsible for :</p> <ul style="list-style-type: none"><li>• Keeping department management advised of problems;</li><li>• Recommending specific resolutions for consideration;</li><li>• All communications between the City and contractor regarding contract issues; and</li><li>• Documenting and maintaining all interaction in the contract file.</li></ul>

# Contract Terminations

There are three ways a contract is terminated: 1) termination by expiration; 2) termination without cause; and 3) termination for cause. ***Complete and accurate documentation, supporting any contract termination, is an essential responsibility of the Contract Delegate (DC).*** When a contract is recommended for termination, other than for expiration reasons, the CD should consult with the City Attorney's Office in order to ensure that all legal requirements are fulfilled and to examine the City's exposure to a potential lawsuit. Consult with Department Director to ensure proper authority.

## Termination by Expiration

Unless otherwise terminated earlier, contracts terminate upon their expiration date. If service is to continue beyond expiration, then an amendment should be done prior to the expiration date and in accordance with the preceding section on Amendments. However, if a contract is terminated by expiration, the CD should ensure that the closeout process is performed in accordance with the contract terms and the City's procedures. Guidance for the closeout process is provided in the Contract Close out section.

## Termination without Cause

Some contracts contain a provision for one or both of the parties to terminate the contract without cause. Usually these provisions require a specified period of notice to be given to the other party. Some contracts contain a provision for termination due to cessation of City funding in which case the Termination without Cause rights of the City would need to be exercised. Even in this type of termination, the CD should ensure that the closeout process is performed in accordance with the contract terms and the City's procedures. Guidance for the closeout process is provided in the Contract Closeout section.

## Termination for Cause

Termination for cause will occur when a contract is terminated due to a failure to comply with the contract's terms and conditions. When these provisions are not met, a default is said to have occurred. Some contracts may be terminated immediately upon default, while others require notice and an opportunity to correct the non-compliance within a set time frame. Set penalties may also be included. Examples that may lead to termination for cause include:

- Assignment or delegation of duties without approval;
- Failure to perform;
- Non-compliance with goods specifications; or
- Failure to adhere to contract's SBEDA requirements.

The CD should ensure that the non-compliance issues are documented and the proper notice has been given in accordance with the contract provisions. The closeout process should be performed in accordance with the contract terms and the City's procedures. Guidance for the closeout process is provided in the Contract Closeout section.

# Contract Amendments, Modifications, Extensions, and Renewal Options

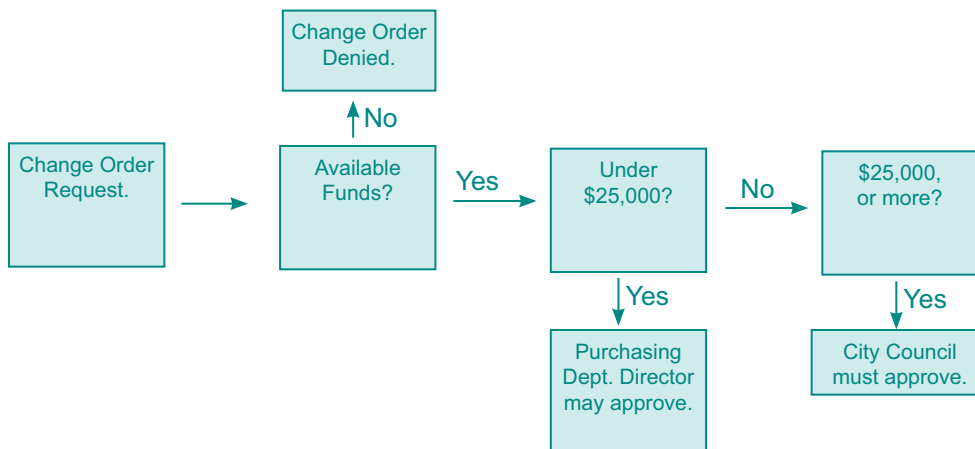
Amendments to contracts change the original terms or conditions of the existing agreement. The amendments can be in the form of contract modifications, change orders, or extension/renewal options.

## Contract Modifications

Contract modifications are any alterations, additions or deletions to the original terms of a contract between the City and the contractor. The following must exist for all City contract modifications:

- A written contract amendment approved by the Department Director;
- Submission to City Council for review and approval, if required by the contract terms;
- Execution by both the City official identified in the contract and the contractor;
- Copies to the City Clerk, the contractor and contract file; and
- Update SAP contract record information.

## Approval Process for Change Orders For Contracts Issued by the Purchasing Department



A change order which increases or decreases a competitive sealed bid contract by more than 25% of the contract's original total value cannot be approved by either the Department Director or the City Council (per Local Gov't Code – Chapter 252).

## Approval Process for Amendments For Other Contract Types

The terms of the contract will state what kinds of amendments are allowable and what process must be used to accomplish the change. If the amendment sought requires an increase in expenditures, start by checking for available funds. The contract will state whether Council approval is required for the amendment. Other than for Change Orders issued by the Purchasing Department as specified above, there is no general authority to execute amendments under \$25,000 without prior Council approval. You must look to the terms of the particular contract.

## Extension/Renewal Options

Some contracts contain options for one party to extend the term of the agreement, with notice prior to contract expiration. Where the extension is a City option, review the contractor's past performance to ensure it is in the City's best interest to extend the contract. Give or receive notice as early as possible and in accordance with the contract terms. It may be necessary to seek the Department Director's input and authority to proceed with the contract extension. In addition, work with the City Attorney's office to prepare extension documents. Consider the possibility of making other amendments to the agreement at this time. If required by the contract, submit the renewal to the City Council for consideration and approval.

Begin the renewal process at least four months prior to the contract's expiration date. If, for any reason, the renewal will not be effected, you may need sufficient time to get another contractor established to prevent a gap in services. This may mean going through the entire solicitation process.



# Chapter 6

## Other City Processes

This purpose of this chapter is to outline other City processes not mentioned previously that are related to contracting.

### In this Chapter

[Preparing a Contract for  
City Council Consideration](#)

[Process For Disposition of Assets](#)

[Links to ERM Processes](#)

# Preparing a Contract for City Council Consideration

Unless specific authority is delegated by ordinance, the San Antonio City Council must approve all contracts. The City Council indicates its approval of a contract by passing an ordinance. The contract, signed by the contracting party, must be attached to the ordinance as an exhibit to verify the terms that City Council is approving. After the ordinance is approved, the City Manager, or a designee, signs the contract.

## Ordinance Process Timeline

Two Weeks Prior to City Council Date	Ordinance Packet Prepared by Initiating Department Includes: <ul style="list-style-type: none"><li>Request for Ordinance Form. See sample document.</li><li>Interdepartmental Memorandum (Ordinance Memo). See sample document.</li><li>Contract</li><li>Signed Discretionary Contracts Disclosure Form (If required)</li><li>Selection Evaluation Summary</li><li>Any other backup materials</li><li>No later than Friday, noon, thirteen days prior to the City Council date, Dept. Director signs interdepartmental memorandum and forwards to appropriate Management Team member for review and signature.</li></ul>
Monday, Noon, Ten Days Prior to the City Council Date	Completed, signed ordinance packet submitted to City's Agenda Coordinator [Erik Walsh, Assistant to the City Manager, through Joann Sanchez, Senior Administrative Assistant (ext. 76991)] by appropriate Management Team member. The Agenda Coordinator places the item on the draft agenda for the week preceding the City Council date.
Tuesday, Afternoon, Nine Days Prior to the City Council Date	Performance Analysis Team Staff reviews ordinance packets and provides feedback to the departments if modifications are needed.
Wednesday, 10:00 a.m., Eight Days Prior to the City Council Date Friday, Six Days Prior to the City Council Date	Draft agenda is discussed by City Manager and Executive Team at the Agenda Review Meeting.  City Manager signs the ordinance memoranda, copies are made and distributed to the Management Team and City Council. In the event of a scheduled "B" Session, the agenda shall be posted by Friday or no later than 72 hours before the scheduled "B" session.
Monday, 9:00 p.m., Three Days Prior to the City Council Date	The agenda is posted at City Hall by the City Attorney's Office. When there is a holiday on Monday, the agenda is posted the previous Friday. <i>(Required by Open Meetings Act- No changes to caption after this time.)</i>
Tuesday, 2 p.m., Two Days Prior to the City Council Date	If applicable, PowerPoint presentations submitted to Scott Wudel in the Public Information Office (ext. 74494) by the initiating department.
Wednesday, 3:00 p.m. One Day Prior to the City Council Date	Briefing items, requiring no action, are presented publicly to City Council during "B" Session.
Thursday, 9:00 p.m. City Council Meeting	Items are publicly presented to City Council.

## Low Bid Contracts & Disclosure Forms

A Discretionary Contracts Disclosure Form is not required for low bid contracts.

## A Contract With Multiple Departments Involved

When multiple departments are involved in a contract, each department head may sign the interdepartmental memorandum (ordinance memo); however, the Request for Ordinance Form is only signed by the head of the lead department - the department which will present the item to City Council.

## PowerPoint Presentations For City Council

PowerPoint presentations are required for all agenda items scheduled for individual consideration, other than City Council contingency items. Printed copies may be in black and white, unless a photograph or map requires color for best depiction. In such cases, only 13 printed copies must be in color. The remainder may be in black and white.

Recommendation: Prepare brief PowerPoints for consent items where there is a likelihood the item will be pulled for individual consideration. No printed copies are required.

## Contracts Using Federal Funds

Contracts using Federal funds must include language, certifying the contractor is not prohibited from receiving Federal funds. Sample contract language is available in Appendix B.

# Process For Disposition Of Assets

## INTRODUCTION

For a variety of reasons, City departments occasionally have to dispose of certain assets. In order to accomplish the disposition of furniture, fixtures, and equipment in a way that promotes sound fiscal and operational management as well as the maximization of an asset's useful life, the following procedures have been established.

## DEFINITION

Assets that can no longer be economically utilized or that cannot be restored to a usable condition shall be approved for retirement or disposal or transfer by the Fixed Assets Division, Finance Department and the Purchasing Department in accordance with applicable City policies and procedures.

## OVERVIEW – DISPOSITION OF ASSETS

- The Fixed Assets Division of the Finance Department has responsibility for determining asset's serviceable life and salvage value.
- Fixed Assets Division, Finance Department, has the sole authority to transfer assets within departments, or place in inventory for future use.
- The Purchasing and General Services Department has the sole authority to dispose of assets via bids, trade-ins, auctions, or through salvage buyers.

## EXCEPTIONS

1. The sale of vehicles will be handled by the Purchasing & General Services Department.
2. Stolen and/or confiscated property will be handled by the Police Department and are not included in this process.
3. Property can be sold at the Official City Store when it is determined by the department director that the item is surplus to the needs of the department and when such item is thought to be unique and have a retail value by the Official City Store.

## PROCEDURE

Stage	Who does it?	Step	What happens
1	Requesting Department	1	Determines asset is no longer needed.
		2	Submits memo and asset surplus/transfer form to Fixed Assets Div./Finance Dept.
2	Fixed Assets Division, Finance Department	1	Inspects assets and determines value, if any.
		2	Determines if there is a need for disposed asset elsewhere within the City.
3	Receiving Department	1	Notifies Fixed Assets Div./Finance Dept. if there is a need.
4	Fixed Assets Division, Finance Department	1	If approved for transfer, notifies receiving department that they are responsible for transportation of surplus goods.
		2	If approved for disposition, notifies department that they must store until the Purchasing Department notifies them of the method of disposition.
		3	If disposition of asset is needed, forwards authorization to Purchasing Department to conduct disposition of surplus goods.
5	Purchasing Department	1	Will decide appropriate method of disposition and notify department.

### Sample Contracts

[Construction Contract](#)

[Debarment Certification Clause](#)

[Non-Professional Services Contract \(contracts under \\$3000\)](#)

[Professional Services Agreement](#)

[Professional Services Contract - Architect Services](#)

[Professional Services Contract - Engineer](#)

[Real Estate License](#)

### Sample Forms

[Architecture Service Request Form](#)

[Contractor Performance Form](#)

[Certificate of Exemption](#)

[Checklist for Bid Advertisement](#)

[Code of Conduct Form](#)

[Request for Proposal \(RFP\) Template](#)

[Discretionary Contracts Disclosure Form](#)

[Evaluation Summary](#)

[Litigation Disclosure Form](#)

[Performance Evaluation](#)

[SBEDA List of Subcontractors/Suppliers](#)

[SBEDA Good Faith Effort Plan](#)

[SBEDA Policy](#)

[SCTRCA Application Form](#)

[Sole Source Form](#)

[30-Day Bid Waiver](#)

### Sample Documents

[Certification Regarding Debarment for Bids](#)

[Certification Regarding Debarment for Proposals](#)

[Certification Regarding Debarment for Qualifications](#)

[Magna Carta Memo](#)

[Memo to Advertise Capital Projects Bid](#)

[Memo to Advertise RFP](#)

[Memo to City Council Format](#)

[Memo to City Council Narrative](#)

[PowerPoint Format](#)

[Proposal Evaluation Summary](#)

# Policy Directives

*These policy directives were derived at the direction of the City Manager.*

## PD 1

In general, all contracts should be signed by the contractor or vendor prior to City Council consideration. If contract cannot be signed prior to City Council consideration, obtain approval from the Contract Services Department prior to taking the contract to City Council. Attach contract in substantially final form to ordinance and include “sunset provision” within the ordinance – that shall not exceed sixty (60) days – identifying time period in which to finalize minor details.

## PD 2

All contracts that have at least one risk assessment criterion characterized as “high” may be subject to a Management Team review [See Chapter 4, Section 1]. Contact the Contract Services Department for assistance with the Management Team review process.

## PD 3

The evaluation criteria for architecture and engineering Request for Qualifications (RFQs) must be consistent. Alternative evaluation criteria must be coordinated by the Public Works/Capital Programs Section and the Department of Asset Management/Contract Services Department.

## PD 4

Departments must maintain consistent evaluation criteria among RFPs for similar requirements. See Appendix C for example. Alternate criteria must be approved by Contract Services Department prior to advertising the solicitation.

## PD 5

Insurance Certificates reflecting contractual insurance requirements as well as any required Bonds (Performance and/or Payment Bonds) must be received prior to the commencement of any work under the contract. To the extent possible, contractors and vendors should be asked to provide insurance certificates and bonds prior to Council consideration.

## PD 6

All professional services, as described under Texas Government Code Chapter 2254, must be reflected by a contractual agreement [See Chapter 1, Section 4].

## PD 7

The composition of the evaluation team on all high risk contracting initiatives (those initiatives that have at least one “high risk” criterion on the ECMS risk evaluation tool) must be approved by the department’s Management Team Member. The four high risk criteria are: dollar amount, solicitation method, community interest, and contract complexity.

## PD 8

Any extension or renewal for a contract characterized as “high risk” cannot be extended or renewed administratively. All extensions or renewals for “high risk” contracts must be submitted to City Council for consideration, even if the contract originally provided for administrative renewal/extension.

## PD 9

Evaluation Team members and support staff will be required to sign a Code of Conduct Statement (SAMPLE) prior to handling and reviewing proposals. It is the responsibility of the CCO to ensure that each signer understands the contents of the Code of Conduct Statement and has been briefed regarding their responsibilities related to conflict of interest and non-disclosure of information obtained during the reviews. The CCO shall file the signed Code of Conduct Statements with the contract file.

## PD 10

A contract record possessing the status of *Anticipated*, must be entered into ECMS by the originating department, as soon as it begins the planning of a project that will require a contract. The updating of that ECMS record must occur with sufficient frequency to accurately reflect the status of the actual contract it represents, including *Active*, *Amended*, *Renewed* and *Complete*.

## PD 11

All Requests for Proposals (RFP’s) and Requests for Qualifications (RFQ’s) – except those for architectural and engineering services – must be directed to the Contract Services Department for review and approval prior to solicitation.

## PD 12

The CCO must collect copies of proposals from Evaluation Team members following completion of the review process. Once the contract has been awarded by City Council, CCO shall initiate action to dispose of extra identical copies of proposals [see Chapter 1, Section 5 ].

## GLOSSARY

**Anticipated Contract** - The status of a contract that is in the pre-execution phase. Entered into ECMS as *Anticipated* contract status.

**Architectural Contract** - A professional services agreement in which the City hires an architect, landscape architect, architectural firm, or landscape architectural firm for the purpose of creating architectural designs. This is not a construction contract.

**Best Value** – a method of procurement of goods or non-professional services in accordance with Chapter 252 of the Texas Local Government Code, in which the contractor may be selected based upon criteria set forth in the Invitation for Bid. Criteria may include: (1) the purchase price; (2) the reputation of the bidder and of the bidder's goods or services; (3) the quality of the bidder's goods or services; (4) the extent to which the goods or services meet the municipality's needs; (5) the bidder's past relationship with the municipality; (6) the impact on the ability of the municipality to comply with laws and rules relating to contracting with historically under utilized businesses and nonprofit organizations employing persons with disabilities; (7) the total long-term cost to the municipality to acquire the bidder's goods or services; and (8) any relevant criteria specifically listed in the request for bids or proposals. Texas Local Government Code Sec. 252.043, as may be amended from time to time.

**Bid** - Submission method in which a contract is awarded to the responsible party providing the lowest price, or best value, for goods or non-professional services. The use of bids is governed by Chapter 252 of the Texas Local Government Code.

- Low Bid. Procurement method in which the contract is awarded to the responsible bidder offering the lowest price. Low bid procurements may be used for a variety of goods and non-professional services.
- Best Value Bid. Procurement method in which a contract is awarded to the responsible party providing the best value for a good or non-professional service. Best value bids may consider purchase price, reputation of the bidder, quality of goods/services, extent to which goods/services meet the City's needs, bidder's past relationship with the City, impact on the City's ability to contract with historically under utilized businesses, long term cost to the City, and any relevant criteria specifically listed in the request for bids. Best value bids may not be used for construction.

**Catering Agreement** - Is a type of concession contract required for City facilities that host public and private events.

**Certified Contracting Officers** - members of staff who have completed the required training courses offered by the Contract Services Department and are responsible for managing and monitoring contracts.

**Competitive Sealed Proposal** – A method of competitive procurement in which a contract is awarded to a responsible respondent whose proposal is determined to be the most advantageous to the City. Evaluations of competitive sealed proposals consider the relative importance of price and other factors identified in the solicitation. This type of solicitation may only be used for procurements of insurance and high technology, which include equipment, goods, or services of a highly technical nature. See also "High Technology Procurement." The use of Competitive Sealed Proposals is governed by Chapter 252 of the Texas Local Government Code.

**Construction Contract** - A contract for the alteration, modification, repair, building, fabricating, or erecting of a public work or physical improvement. Examples include streets, sidewalks, bridges, and residential or commercial buildings. Other examples include house relocation, roofing, flooring, building foundation, design enhancements (public art), and parks.

**Contract Administration** - The management and monitoring of a contract in the planning, execution, and performance phases.

**Component Purchases** - Purchasing component parts of an item that in normal purchasing practices would be purchased in one purchase. This practice is unlawful if utilized in an attempt to circumvent the requirements of Ch. 252 of the Texas Local Government Code.

**Concession Agreement** - A license or lease agreement in which the City allows another party to use City owned property to operate and/or manage a retail sales business, amusement activity, or service. The concession may be owned by the City and managed by a third party, or the concession rights may be owned by the third party. Examples may include the sale of food, beverages, novelties, shoeshines, or miniature train rides.



## GLOSSARY

**Debarment**– A process by which an individual or business is prohibited from contracting with or receiving federal or state funds. The ineligibility may be a temporary suspension or permanent in nature. The General Services Administration maintains a list of persons who are ineligible for funding called the List of Parties Excluded from Federal Procurement and Nonprocurement Programs. The list may be viewed at <http://epls.arnet.gov/servlet/EPLSArchMain/1>. A similar state site is maintained at <http://www.gsc.state.tx.us/stpurch/venman.html#debarred>.

**Delegate Agency** - Entity receiving City funds to perform a service or function.

**Engineering Contract** - A professional services agreement in which the City hires an engineer or engineering firm to perform a service that falls within the scope of the practice of engineering, as defined by state law. This is not a construction contract.

**Environmental Agreement** - There are two types of agreements, which fall under the “environmental” heading. 1: professional services agreement where a consultant, usually an engineer, is hired to provide advice on environmental issues. The work may include sampling soil for lead or walls for asbestos. 2: construction agreement where a contractor is hired to remediate an environmental hazard. Examples include the actual removal of lead contaminated soil or asbestos from buildings. These contracts are usually not competitively bid, as they often involve health and safety issues.

**Evaluation Panel/Team** – A carefully chosen or representative group of City staff, advisory board members, and private industry representatives, or any combination of the preceding, who will serve as a group to consider, evaluate, and arrive at a recommendation for a contractor(s) as a result of reviewing responses received from a Request for Proposals and/or a Request for Qualifications. Evaluation Panel/Team members are generally chosen for their experience with a given solicitation, or as a representative of a stakeholder group.

**Execution Phase** - is characterized by the solicitation process, subsequent negotiations with a selected vendor or contractor, the drafting of a contract, and the approval process leading to contract execution by a department head or through the Council Ordinance process.

**Foreign Trade Zone Agreement** - An agreement between the City and a business entity that imports goods into the United States for sponsorship of the company with the U.S. Customs office in exchange for payment of certain fees and an obligation to do some act(s) that benefits the public.

**Franchise Agreement** - A license agreement in which the City allows another party to use the City right of way to provide a public service for cable or broadband communications. The service must be provided Citywide.

**Grants (City as Recipient)** - Agreements between the City and another entity wherein the City receives grant funds from the entity and is obligated to perform a service or function in exchange for the grant funds. 1: The City may perform the service or function itself when receiving grant funds. An example would be a grant from the Federal Government to fund a position of family violence prosecutor at Municipal Court. 2: The City may also contract with another entity (sometimes referred to as “subrecipients”) to perform the service or function required by the grant, either in its entirety or in part. This arrangement may be called a “pass through grant” in that the funds are passed through the City to a subrecipient. The City may retain a portion of the funds for grant administration. An example would be federal funds provided to the YMCA in support of after school day care, youth related activities, or services for the elderly.

**Grants (City Funded Grants)** - Agreements between the City and another entity, in which the City provides City funds (i.e., General Funds, Special Revenue Funds, Enterprise Funds, Expendable Trust Funds), to the entity (“delegate agency”) to perform a service or function. An example would be an agreement in which the City provides funds to the San Antonio Zoological Society in support of the zoo.

**Grants (Matching Fund)** - Agreements between the City and a third party, which may be funded from both the federal or State Government and the City (i.e., General Funds, Special Revenue Funds, Enterprise Funds, Expendable Trust Funds), for that third party to perform a function or service. Examples of hybrid grants would be those provided to the Guadalupe Cultural Arts Center and to the Community Economic Revitalization Agency.

**High Risk** - A designation of risk assessment, based on contract value, level of community interest, non-competitive acquisition, and contract complexity. Appropriate staff is advised that additional review is recommended for the project.

**High Technology Procurement** - The procurement of equipment, goods, or services of highly technical nature. Examples of high technology procurement are data processing equipment, telecommunications equipment, radio and microwave systems, electronic distributed control systems, energy management systems, software, and technical services related to those items.

## GLOSSARY

**Indemnification** – An agreement to protect a party against loss, to save and hold harmless, to make good, to compensate or reimburse for loss incurred. The indemnitee is the party to be protected. The indemnitor is the party bound to protect the other. The agreement may protect against the claims of third parties, or a contemplated act of either party to the contract.

**Interlocal Agreement** - An agreement between two or more governmental entities wherein one or more entities performs a governmental function or service for the benefit of the other(s). An example would be an agreement for the City to provide fire protection services to another municipality.

**Lease Agreement** - An agreement providing a right to occupy real property for a limited period of time, usually in consideration of the payment of rent, giving rise to the relationship of landlord and tenant. The City may be either the landlord or the tenant. An example is a lease of riverwalk space by the City to tenants. Another example would be an agreement whereby the City uses office space for our staff in a building owned by another party. Leases are different from licenses, which are defined elsewhere herein.

**License Agreement (Intellectual Property)**- An agreement allowing one entity to use the intellectual property of another entity, usually in exchange for a fee. Either the City or the other entity may be the one granting the license. An example would be an agreement allowing the City to use the image of a mural painted on a City building on T-shirts for sale in the City Store.

**License Agreement (Real Estate)**- An agreement granting a privilege for a specific, limited, temporary use of City owned or controlled real property, including the right of way, in exchange for a monetary or other benefit to the City. Examples include improvements placed within the public right of way, such as buildings with roofs that overhang a sidewalk, an overhead walkway across a street, signage (will now be granted by permit), and use of parks for events. Real estate licenses are different from franchises and concessions, which are defined elsewhere herein.

**Management Agreement** - An agreement in which the City hires an individual or entity to manage a City owned facility or operate a program. An example is our agreement with the San Antonio Botanical Society to manage and operate the Botanical Garden.

**Management Review** - Presentation to the City Manager and Assistant City Managers of a project or initiative, which is likely to involve significant discussion and justification. Management Reviews may be conducted for high risk procurements.

**Memorandum of Understanding**- This is not a contract. It is a document that identifies the intended roles of the parties intending to enter into a contract. The parties are not expressing an agreement to actually be bound by this document.

**Non-Professional Services Agreement** - An agreement between the City and another party to perform a service requiring labor or skill that is primarily physical or manual in nature. Non-professional service agreements may be revenue or expenditure contracts. Some examples of non-professional services include janitorial service, lawn service, microfilming, loading freight or cargo, plumbing, carpentry, painting, and electrical work.

**One Time Event Contract** - An agreement between the City and another party for the use of City property for a special event. This is a type of license. Examples of one time events include the following: 1: An agreement between the City and a professional association for use of the Convention Center for the association's annual meeting. 2: An agreement between the City and concert promoters for use of the Alamodome, Sunken Garden Theatre, City streets or park space to produce a concert.

**Performance Phase** - All events that occur post-execution, that is, after the contract is signed.

**Personal Service Agreement** - An agreement between the City and another party for a specific person to perform a specific service. A personal service involves the work performed by a particular person rather than a salable product of his skill. Examples of personal services include artists, musicians, storytellers, and construction managers.

**Planning Phase** -The first phase of a contracting or procurement process. The concept or purpose of the contracting initiative is defined during the Planning Phase. During this phase, a funding source is determined, an estimate of the contract value is made, business and liability risk is assessed, and a comprehensive scope of services or product specifications is developed.

**Planning Services** - Services primarily intended to guide governmental policy.

**Professional Service**- An agreement between the City and a party deemed to be a professional to perform a service relating to that profession. Generally, a professional service is one in which the labor and skill is predominantly mental or intellectual, rather than physical or manual. Further, professionals are members of disciplines with widely accepted standards of required study or specified attainments in special knowledge, as distinguished from mere skill. Some examples of professional services include those provided by architects, attorneys, accountants, consultants, engineers, landscape architects, land surveyors, real estate appraisers, optometrists, teachers, theologians, doctors, and nurses. Lawn service, container terminal operators, janitorial services, microfilming, loading freight or cargo, plumbing, carpentry, painting, and electrical work are not considered professional services.

## GLOSSARY

**Public Work** – Construction of a building, highway, road, excavation, and repair work or other project development or improvement, paid for in whole or in part from public funds, without regard to whether the work is done under public supervision or direction. Texas Government Code §2258.002. Note that a “public works contract” is a contract for constructing, altering, or repairing a public building or carrying out or completing any public work. Texas Government Code §2253.001.

**Request for Proposal (RFP)** – A competitive procurement process allowing the City to consider a variety of factors when selecting a contractor for award. Price, qualifications, experience, innovations, creativity, and project approach are some factors, which may be evaluated. RFP’s may be used for the procurement of consulting and other professional services.

**Request for Qualifications (RFQ)** – A method of procurement in which the City seeks to identify those persons or entities that may be qualified to provide defined services. Respondents are asked to summarize their background, experience, certifications, knowledge, education, skills, and/or training. An RFQ may be used then the City is unaware of the availability of qualified persons or entities in that “market.” However, an RFQ is sometimes used as a first step in a procurement process, with a Request for Proposal to follow. An RFQ may also be used as the sole procurement process.

**Risk Assessment** - A function performed by SAP, to help guide the level of review required for a project.

**SBEDA** – Small Business Economic Development Advocacy

**Scoring Matrix** - A document, prepared as a spreadsheet or text, that lists each evaluation criterion and the applicable points as defined in the Request for Proposals and/or Request for Qualifications. The contracting officer of the issuing City department normally prepares the scoring matrix that will be used by the evaluation panel/team to score and rate the responses received to a Request for Proposals and/or Request for Qualifications. Once the members of the evaluation team/panel have submitted their scores to the contracting officer, a final **scoring matrix** is compiled incorporating the panel’s scores to justify the recommendation of a particular vendor to City Council.

**Separate Purchases** - Items purchased separately that in normal purchasing practices would be acquired in one purchase. This practice is unlawful if utilized in an attempt to circumvent the requirements of Ch. 252 of the Texas Local Government Code.

**Sequential Purchases** - Items purchased over a period of time that in normal purchasing practices would be purchased in one purchase. This practice is unlawful if utilized in an attempt to circumvent the requirements of Ch. 252 of the Texas Local Government Code.

**Sole Source** – Refers to an exemption from the competitive bidding requirements of Chapter 252 of the Texas Local Government Code, and indicates that an item may only be procured from one vendor. §252.022(7) lists items falling within this exception as: (A) items that are available from only one source because of patents, copyrights, secret processes, or natural monopolies; (B) films, manuscripts, or books; (C) gas, water, and other utility services; (D) captive replacement parts or components for equipment; (E) books, papers, and other library materials for a public library that are available only from the persons holding exclusive distribution rights to the materials; and (F) management services provided by a nonprofit organization to a municipal museum, park, zoo, or other facility to which the organization has provided significant financial or other benefits.

**Subrecipient** - Entity receiving federal or state funds passed through the City. The City is the recipient of the federal or state funds – the entity is the subrecipient.

**Tax Phase-In Agreement** - An agreement between the City and business entity to abate City ad valorem taxes in exchange for some consideration that serves a public purpose.